

A spider is
coming to get you



Now shooting on the
streets of Sarajevo

Section Two, Cover Story

Page 7

John Walsh: pity
poor Irvine Welsh

Section Two, Living



THE INDEPENDENT

3,018

THURSDAY 20 JUNE 1996



46p (UK 45p)

After British bravado comes a hasty retreat

John Major yesterday gave way to the inevitable and, having enjoyed four weeks' defiant bravado, prepared to swing into hasty retreat and accept a Brussels beef package that delivered some of his initial demands.

The scene was set last night for the British Prime Minister to go to Florence for this weekend's European Union summit, drop his confrontational policy of non-co-operation, and swallow a "mad cow disease" plan that included an increased cull of 67,000 cattle.

While Tory backbenchers seemed ready to follow Mr

Major's lead into headlong retreat, there was no certainty last night that all the EU partners would be so amenable. It is still possible that the deal could come unstuck, leaving Mr Major impaled until another emergency summit can be staged, possibly in Dublin.

The latest peace package is based on a cull of cattle born in 1989, but there were indications in Brussels last night that the Germans were leading a backlash, supported by Austria, Holland and Portugal, in favour of pushing that back even further - to 1988. Given the fragility of

Tory support, that could push the deal out of court.

But Robin Cook, the shadow Foreign Secretary, said last night: "This is a massive climb-down. The Government has settled for a piece of paper which contains no dates and no guarantees."

Faced with the extra' call, there were some signs of dissent in the Tory ranks. Paul Marland, the MP for Gloucestershire West and chairman of the Tory backbench agriculture committee, said: "We haven't come all this way to be let down. It would be very, very difficult to

get this through the Commons."

But the sceptic former Chancellor, Norman Lamont, said it was time for the Tories to "knuckle down" in the run-up to the general election. His Euro-sceptic colleague, Sir Ted Taylor, said: "We have had this movement from Europe, and the general view is that the British Prime Minister, placed in a difficult, has a sensible solution."

In the tradition of all EU set-

lements, all sides should have enough claim a victory at the EU summit in Florence on Friday and Saturday.

But, based on the outlines of the deal emerging yesterday, the Prime Minister has achieved nothing which could not have been achieved by patient negotiation. He has made several concessions which will anger Euro-sceptics and farmers alike. His policy of confrontation and non-co-operation with other

EU governments has, in the meantime, caused unquantifiable damage to Britain's standing in Europe.

If all goes as planned, Mr Major will have his "framework" for the gradual, step by step lifting of the export ban on British beef, something which was not on the table when he started his policy of non-co-operation with the EU four weeks ago. He will not be forced publicly to disown that policy before he gets a deal.

But the Government yester-

day agreed to pile up to another 67,000 "at risk" animals on to the bonfire of British cattle (something it had previously refused to do). There will be no specific timetable for the resumption of Britain's beef trade. The embargo on British beef sales to non-EU countries will not be lifted before the rest of the ban.

"He will claim his victory. But we will claim ours" said one German official last night. "We have been begging the British for eight or nine years to come up with a comprehensive, verifiable plan for eradicating BSE and assuring the safety of British beef exports. None of that was on the table three weeks ago. We have it now."

Parties plan for snap October poll



Andrew Marr

Political leaders are quietly preparing for the possibility of an October election, called without warning by John Major as MPs returned from their summer break. It would be an extraordinary gamble. Grey-haired opinion remains firmly against it. But the possibility that Downing Street is contemplating such a *coup de theatre* is now being taken seriously.

The Prime Minister would have to convince colleagues that the danger of a winter of political decay is worse than the danger of taking on Tony Blair, so far ahead in the polls. Up to now, John Major has seemed firmly committed to a spring 1997 election. But a mixture of bad political news on the horizon and intense frustration beyond Tory disloyalty may be beginning to change his mind.

One reason being discussed at Westminster is economic. Government borrowing figures make it clear that the Chancellor's room for manoeuvre in the Budget will be very small. The consumer recovery is beginning to feel real, and is likely to continue through the summer. But beyond that, the autumn promise may be greater than the spring reality.

No one can be sure how long the boomlet can be safely maintained. Meanwhile, the other two big political issues - Northern Ireland and the EU - are likely to produce more bad news for Mr Major over the winter.

Unless the atmosphere in Northern Ireland quickly improves, the Conservatives will come under strong pressure from the Unionists for the reintroduction of internment. Ministers seem likely to refuse, and relations with their only Westminster allies will worsen.

This affects Mr Major's handling of beef and European questions too, since his tiny and crumbling majority is vulnerable to an Opposition alliance in Parliament that includes the Unionists and Tory Euro-rebels. An inglorious, if sensible, armistice in the beef war reinforces the point that anti-European politics is a dangerous game which leaves him open to right-wing ambush. On the other side, it has been deeply depressed

None of this means that he will go this autumn. Mr Major doesn't believe that Labour's poll lead is a true reflection of how it would perform in a real election, but he would need some sign of a pro-Tory trend to take such a gamble.

Yet if he believes that returning to Westminster for a winter session may involve further motions of no confidence, defections and rebellions, a disappointing Budget and another few months of leadership manoeuvring by the right - is it really worth hanging on?

All that is sure is the thought of an October poll has begun to fire Westminster imaginations. Tory conversations are already advanced about whether or not they would be better to cancel the party conference season by firing the starting-gun in late September, or use their own conference as a campaign springboard. The joke has been it all depends on England winning Euro 96. What has changed is that is no longer entirely a joke.

QUICKLY
Accolade for Block
Robert Block yesterday won the Amnesty International press award for a series of articles for the *Independent* on the massacre at Srebrenica. It is the third press award this year for coverage of foreign affairs by the *Independent*.

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Is it a Dutch football fan? Is it a Conservative Euro-sceptic? No, it is a flying monk: 25 soldier monks from the Chinese monastery will be performing their art of kung fu at London's Royal Albert Hall tonight and tomorrow. The show, which follows four nationwide, features an iron bar being broken over a monk's head. Photograph: Linus Moran

All cars to get pollution warning lights

NICHOLAS SCHOON
Environment Correspondent

All new vehicles will have to have a light on their dashboard to warn drivers when their cars are producing too much pollution.

The warning system, which will be compulsory by 2000 and will add between £200 and £400 to the price of new cars, has been agreed by the European Commission.

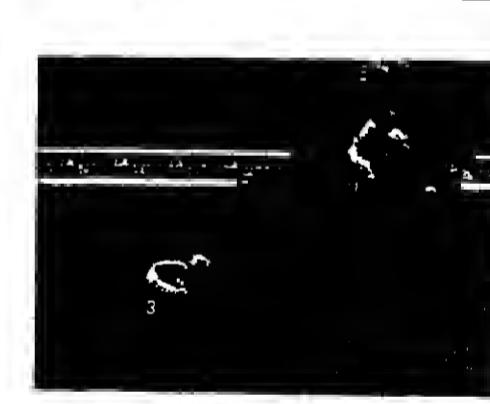
The aim is to cut the main types of air pollutant from vehicles by 60 to 70 per cent over the next 15 years, even while the total number of cars, buses and lorries in the European Union continues to rise.

Car will need equipment which senses whether emissions are within legal limits by continuously checking the engine and catalytic converter. If the warning light glows, the

driver will be under a legal obligation to right the problem - although the nature of the legislation will be left to the individual EU states.

The package of proposals also includes phasing out leaded petrol by 2000 and changes in the composition of petrol and diesel to make them less "cleaner". It was agreed this week after more than a year of negotiations with the oil and vehicle-manufacturing companies, and months of argument within the commission itself.

Britain's Society of Motor Manufacturers and Traders gave a grudging approval for the package, having played a part in negotiating it. "The commission has set targets which are rather challenging, and meeting them is going to be expensive," said its head of policy, Mike Hollingsworth.



WINNER BY A HEAD



WINNER BY A NECK

ROYAL ASCOT
END CORNWALL TEST MATCH v INDIA, LORD'S
GARDENERS CUP
WIMBLEDON TENNIS CHAMPIONSHIPS
ROUND THE ISLAND RACE, ISLE OF WIGHT
VEUVE CLICQUOT GOLD CUP POLO, GOMFREY PARK
HENLEY ROYAL REGATTA
HAMPTON COURT PALACE INTERNATIONAL FLOWER SHOW
BENSON & HEDGES CIVY FINAL, LORD'S
GLOUCESTERShire CHAMPIONSHIP

10-11 June
20-21 June
20-21 June
23 June-14 July
23 June-7 July
20 June
20 June-21 July
3-7 July
9-12 July
13 July
30 June-3 August

Veuve Clicquot
CHAMPAGNE OF THE SEASON

news

United crackdown on the IRA

Leaders agree to step up pressure on Sinn Fein to persuade terrorists to resume the ceasefire

COLIN BROWN and DAVID McKITTRICK

A security crackdown, which is one step away from internment of IRA terrorists, was being considered by ministers to disrupt the planning of more action like the bombing in Manchester, senior Conservative sources said last night.

The British Government has decided to focus more on security following the rejection of the peace process by the IRA. Ministers have asked the security forces to use existing anti-terror laws to harass known IRA members.

John Major and his Irish counterpart, John Bruton, agreed on a joint approach to Sinn Fein in their first talks since Saturday's events, which took place on the telephone and lasted 20 minutes.

The two Prime Ministers agreed to keep links open with Sinn Fein, but to increase the pressure on its leaders to reinstate the ceasefire.

Dublin has told London that it would not support the reintroduction of internment, and



Breakthrough: One of the potential bombing suspects and an image of the van

more difficult as each day goes by. They should take out 30 or 40 suspects for one week. That will disrupt their planning."

Political talk continued at a snail's pace in Belfast yesterday, with the parties and the British and Irish governments trawling through procedural issues at Castle Buildings, Stormont.

Lord Mason, Labour's former hardline Northern Ireland Secretary, last night said that internment should have been reintroduced. "You could have done internment after the Manchester bombing, but it gets

Unionist Party and the SDLP, and of course even greater distances from those on the extremes. It is a depth of polarisation that I've never seen politically before."

Meanwhile, police hunting the Manchester bombers yesterday issued descriptions of the two suspected terrorists who parked the van packed with explosives in the city centre on Saturday morning.

They also issued an electronically generated image of the man who bought the van in Peterborough the previous day for £2,000. With over 60 officers

in Manchester now involved in the hunt, along with specialist anti-terrorist and Special Branch officers, early suspicions that the bombing involved an IRA team operation seem to have been confirmed.

The descriptions are based on accounts from witnesses who noticed the van and its occupants on Saturday morning, and from a Peterborough taxi driver, who on Friday was handed £2,000 in a brown envelope by a man with an Irish accent. The man who handed the cash envelope over on Friday was described as between 35 and 40.

Police are hoping the descriptions along with a video compilation of the van will help jog the memory of potential witnesses.

Tube drivers back one-day strikes

BARRIE CLEMENT
Labour Editor

London Underground train drivers are to stage four one-day strikes starting next Thursday in a dispute over pay and working hours.

The stoppages, also scheduled for 3, 8 and 16 July are expected to mean a virtual shutdown of the service, and train drivers' leaders warned of more walkouts to come.

While Aslef, the drivers' union, has avoided disrupting travel during the Euro 96 football competition, the first two strikes will coincide with the fortnight of lawn tennis championships at Wimbledon in south-west London.

Drivers voted 1,060 in favour of action with only 187 against. Lew Adams, general secretary of Aslef, accused management of renegeing on an agreement to cut the working week from 38.5 to 37.5 hours by trying to attach productivity strings to the deal.

Management has offered a 3.2 per cent pay increase as part of the package and calculates that the proposals could lead to drivers earning up to £25,436 a year.

A spokesman for London Underground said: "Strikes will not help anyone - our customers, our staff or our business." Talks are due to resume on Monday.

In a similar dispute the RMT transport union, with the largest membership on the Tube system, is also expected to announce a large vote in favour of 24-hour strikes on 10 July.

The first stoppage on London Underground will coincide with a threatened national 24-hour walkout at the Royal Mail which begins at noon next Thursday.

The first day-long postal stoppage in protest at a pay and productivity package is due to begin with the last shifts tonight.



Last Innings: Dickie Bird, the world's most famous umpire, will walk through the Long Room and down the pavilion steps for the last time in today's second Cornhill Test at Lord's, central London, before retiring after his 66th Test match

Photograph: Tony Buckingham

Failure to trace cattle causes alarm

SARAH HELM
Luxembourg

British authorities have failed to trace the herds of origin of 11,000 cattle infected with bovine spongiform encephalopathy (BSE), the European Commission revealed yesterday, fuelling new fears that infected beef is still entering the human food chain.

The failure to trace the history of infected cattle raises serious questions about government claims that "British beef is safe to eat" and may raise new concerns about causing the ban at the Florence summit on Friday.

Only by establishing where an infected animal was born and bred can veterinary experts identify "at-risk herds", which Britain accepts must be singled out for slaughter to ensure that no suspect beef is consumed. So far about 35,000 herds have

been identified as "at risk", partly by tracing the histories of cattle among the 160,000 known to be infected. If the histories of 11,000 have not been traced, commission experts calculated yesterday that statistically a further 2,500 at-risk herds may have so far escaped detection.

The latest evidence of Britain's poor eradication methods emerged at the European Court of Justice in Luxembourg, where Sir Nicholas Lyell, the Attorney-General, yesterday launched Britain's legal challenge to the worldwide ban on Friday.

Sir Nicholas argued that the ban was "illegal and "wholly wrong". He insisted that the court should suspend the ban immediately, pending a full hearing of the case, because Britain agriculture was suffering "irreparable damage" and

traced. If one animal contracted BSE, believed to be due to eating suspect feed, others in the herd must be deemed "at risk".

The figure of 11,000 untraced cattle, which, according to commission sources was originally given by British officials, was not disputed yesterday by government lawyers.

Although Britain had promised to set up better tracing systems and computerised networks of cattle, past failures gave little ground for reassurance, Mr Flett asserted.

James Flett, for the commission, told the 15 judges that 11,000 infected cattle had never been traced back to their "cubit" - or contemporaries in their herd of origin. Mr Flett said it was essential to identify the infected animal's cubit, so that all cattle in the same herd at the same time could be

substantially degree yes. But it depends. Some are easier to trace than others. I think to say that every cow can be traced would be going too far."

The broad thrust of the Government's legal challenge to the beef ban centred yesterday on claims that the commission had imposed it as a result of consumer concern and to protect European markets, which Sir Nicholas argued it had no power to do. "A health scare is no basis for the ban," he said.

The Commission argued that it was entirely justified to take into account consumer concerns about public health, to protect the single market. It was "wishful thinking" for Britain to believe that by lifting the ban consumers would regain confidence in beef. Rather, Mr Flett said, there could be a mass consumer boycott of beef.

Sir Nicholas answered: "To a

SIGNIFICANT SHORTS

The Netherlands' liberal policy on drugs is having a disastrous effect on Britain by encouraging large-scale trafficking of substances such as ecstasy and amphetamines, Tom Sackville, the Home Office minister, told a conference of police chiefs yesterday. In a sharply worded speech, Mr Sackville said the Netherlands was now the source of 90 per cent of all ecstasy and amphetamines seized in Britain and called on the Dutch government to become involved in greater co-operation.

"The open sale of cannabis in 'coffee shops' is, in the view of this Government, highly damaging to our interests," he said. But West Yorkshire Chief Constable Keith Hellwell, who chaired the conference, added:

"Even the Dutch take a very strong line against dealers and traffickers." Jason Bennett

Academics at the London School of Economics yesterday agreed in principle to charge students top-up fees in response to Government spending cuts in higher education. The decision, by a four to one majority of the school's academic board, will be put to the court of governors next week.

If it backs the proposal, the LSE believes it will be the first higher education institution to do so. Several universities have said they will consider top-up fees if the Government does not reverse planned spending cuts. John Ashworth, the school's director, said: "As an internationally renowned centre of academic excellence we must not allow our reputation for high standards and quality to be damaged by the reduction of state funding." Judith Judd

Kevin Maxwell lost a High Court battle over which judge should conduct his second trial. He said his faith in the justice system had been "shaken" by the court's decision to uphold a refusal by the Lord Chancellor to appoint Lord Justice Phillips, the judge who presided at his first trial, when he was cleared of allegations of dishonesty.

His lawyers had contended that Lord Justice Phillips, who was appointed an appeal judge during the 131-day first Maxwell trial, was uniquely qualified to deal with the complex arguments and issues, thus avoiding delay and public expense. Lord Justice Henry and Mr Justice Sachs said Lord Mackay was entitled to conclude that Lord Justice Phillips was most needed in the Court of Appeal.

A painting by LS Lowry set an auction record for the artist's work yesterday by fetching £282,000 - several times its estimate. The oil painting, entitled *A Cricket Match*, was bought by a British couple who fought off four telephone bidders at Sotheby's in central London. The unnamed buyers told Sotheby's they had always wanted to own a Lowry and this was the best they had ever seen in an auction. It shows a game of cricket in the back streets of 1930s Manchester.

Christie's, meanwhile, announced it would auction a previously unrecorded part of a soprano aria by Mozart. It is expected to make about £30,000. The manuscript is contemporary with Mozart's opera *Die Entführung aus dem Serail* and it is possible that he intended to include it in the opera, first performed in 1782.

Alan Howarth, the MP who dramatically defected from the Tories last year, yesterday submitted his name for selection as the Labour candidate for the Manchester seat of Wythenshawe and Sale East at the next general election. The new constituency can be regarded as safe Labour territory. While Mr Howarth's chances of landing the nomination are good, he will probably have to contend with at least 20 others.

His defection last October threw the Conservative Party conference into turmoil. The former MP for Stratford on Avon has already been linked with other safe Labour seats whose incumbent MPs are retiring at the next election.

AHigh Court judge reserved judgment yesterday on whether construction of the A34 Newbury bypass should be halted to give protesters the opportunity to bring a legal challenge over the future of a rare snail which lives in areas on or near the proposed route.

In a two-day hearing, the Government was accused of "glaring irrationality" in failing properly to protect the snail's habitat from the bulldozers. Environmental groups and residents are seeking to block the decision to award Civil Engineering the contract for the £74m bypass, which has immediate effect, without properly considering the needs of Desmoulin's whorl snail.

Composer Vivian Ellis, who wrote the hit song "Spread A Little Happiness" died yesterday, after a short illness, aged 92. He is best known for the song, which was revived by Sting for the 1982 film version of *Dennis Potter's Brimstone and Treacle*.

Ellis, who was awarded the CBE in 1990, began his musical career as a concert pianist. From 1929 he composed several successful musicals including *Bless The Bride*, recently revived at Sadler's Wells in London.

He also wrote novels, humorous books and works for children. In 1973 he received a special Novello Award for "outstanding services" to British music and 10 years later picked up a second for lifetime achievement.

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GA

مكتبة من الأرشيف

England: A rubbish drunken football team*

STEVE BOGGAN

There was a spring in the step of Englishmen and women everywhere yesterday after the success of their no-hope, drunken, burnt-out football team.

While generous amounts of humble pie were guzzled by the pundits, the rest of the country was enjoying that most rare of pleasures, a thumping great win over Holland and the prospect of more to come.

For weeks, during drunken binges in Hong Kong and in-flight television-smashing exploits, we had been drilled to expect the worst. "A Bunch of Has-Beens Show up a Bunch of Wannabes" roared the *Daily Mail* after England's 1-0 victory over a drab Hong Kong team in the run-up to Euro '96.

Then there were the pictures of Paul Gascoigne, Teddy Sheringham and Steve McManaman, the worse for drink, their shirts torn, in a Hong Kong bar. Worse still were pictures of Gascoigne and Sheringham

Before and after: Contrasting headlines on stories concerning the England football team in the *Daily Mail* (left) and the *Daily Mirror* (right)

The best since 1966



*At least that's what they said until yesterday

tainty aren't relaxing yet, but we're delighted.

The reason for that, a new kind of international camaraderie, was in evidence during a brief, drunken encounter in the West End of London after the Holland match on Tuesday.

Sitting on a kerb were three supporters from England, Holland and Scotland, with their arms around each other.

These were the nationalities the police had worried about, and yet here they were, drunken, happy and in union. The Englishman was apologising to the Dutchman for the 4-1 defeat, and the latter was in turn apologising to the Scotsman for taking their place in the quarter-finals.

The *Daily Mirror* has already walked humbly past. After victory over the Scots last Saturday, and in the wake of a blistering editorial referring to "sporting morons", it ran a front page "apology" to Gascoigne on Monday.

Away from the vagaries of punditry, the good behaviour of fans continued. Assistant Chief Constable Malcolm George, the man responsible for policing at Euro '96, said: "I don't want to tempt fate and we cer-

tainly aren't relaxing yet, but we're delighted."

These were the nationalities the police had worried about, and yet here they were, drunken, happy and in union. The Englishman was apologising to the Dutchman for the 4-1 defeat, and the latter was in turn apologising to the Scotsman for taking their place in the quarter-finals.

It sounded like a joke and, with more than a week of football left to go, it may yet have a violent punchline. But the scene was indicative of the peaceful nature in which the championships have passed off so far.

Leading article, page 15

Children's TV: BBC chiefs sit uncomfortably as Corporation gets a drubbing for its patronising attitude towards young viewers

X-Files takes over world of Andy Pandy

MARIANNE MACDONALD

Media Correspondent

Once upon a time – about 50 years ago – the BBC began making children's programmes. In those days parents were sitting comfortably and did as they were told.

Children watched with mother, clapped to Andy Pandy, and the BBC calmly went off air for an hour-and-a-half in the evening to allow parents to put their children to bed.

But today, in the fiercely competitive market for children's programmes, the BBC is under increasing pressure. It asked yesterday, in a rare public meeting with experts, teachers, psychologists and children, whether it was getting it right. The answer seemed to be a resounding no. Most damning was the verdict from the children themselves who had been invited from across the country to give their views.

In 1956, children could watch less than 500 hours of children's television per year, now, with the advent of cable and satellite, there are five dedicated channels for children and a total of 20,000 hours transmitted a year.

The BBC may have replaced Valerie Singleton's sensible blouse and skirt on *Blue Peter* with the Katy Hill's lycra outfits but the children believe they are being patronised, and they told the BBC's mandarins so.

There should be more teenage presenters. Children

should be offered facilities to make their own shows and more programmes should be made for teenagers. Children's drama was unrealistic, and Northern Ireland and Wales were under-represented.

One teenage boy summed up their views. "I wish that the presenters of children's programmes would treat me more like a young adult and less like a five year old," he said.

These children, aged between nine and 15 were as likely to watch the more adult programmes such as *Top of the Pops*, *Absolutely Fabulous*, and *X-Files* – which they said were in some cases better and funnier and on at times which suited them – as children's television.

When once there were the *Wombles*, this year's top ten programmes among four to 15-year-olds include *Gladiators*, *Casualty*, *The National Lottery Live*, *EastEnders* and *Coronation Street*.

The adults echoed the children in their criticism of the BBC's ability to take younger viewers seriously. George Varnava, president of the National Association of Head Teachers, said he had been struck by the "patronising" tone of children's television. "There's no doubt that in many respects we underestimate children."

Dr Aric Sigman, a consultant psychologist, said the BBC should use more older presenters. "There's an awful lot of slim, good looking young people who have arrived on television, and a distinct lack of people who are middle aged.

Then and now: Valerie Singleton's sensible skirts (above) have given way to Katy Hill's lycra outfits on *Blue Peter*. Top: Sixties favourites Bill and Ben, the flowerpot men, gave way to the *Wombles* (centre left), which have been replaced by *The Demon Headmaster* (centre right). Now Nineties children are much more likely to watch the *X-Files* (above)

1950s favourites on a group of three to six year-olds. "I could not keep them in the room. I had to lean on the door. It was the tone in which they were presented," she said.

Alcohol before exercise 'cuts heart strain'

LIZ HUNT

Health Editor

A pint of beer, a shot of whisky, or a glass of wine taken before exercise could reduce the risk of heart disease, according to new research, which suggests that stopping at the pub on the way to the gym may be the key to good health.

A study has found that drinking a moderate amount of alcohol before a strenuous workout reduces the levels of clotting substances in the blood by at least 15 per cent.

Dr Mahmoud El-Sayed, a Reader in Sports Science at John Moores University in Liverpool, who conducted the study, said: "Perhaps people should rethink their trips to the gym and go for a drink before rather than after, as most of them do."

Fifty healthy volunteers took part in the two-year study. Blood samples were taken while they were resting; after they had drunk a "moderate" amount of vodka, and after they had worked out vigorously on an exercise bike for 30 minutes at 65 per cent of their capacity, and for five minutes flat out.

A control group drank water or orange juice instead of alcohol.

Analysis of the blood samples

showed that in the alcohol group there was a 15 per cent decrease in fibrinogen (a blood clotting agent) levels compared with the non-alcohol group.

Dr El-Sayed said: "Less fibrinogen means the blood is less viscous; alcohol appears to have the effect of thinning the blood and so relieving the burden on the heart."

This is a very exciting discovery which has huge implications for people worried about heart disease.

"It proves that alcohol has a role to play in keeping people healthy."

Previous research has confirmed that alcohol has a "U-shaped" relationship with cardiovascular health: too little or too much is bad for you but a moderate amount has a positive effect.

Scientists believed the beneficial effects were restricted to red wine, but more recent findings suggest that it is the alcohol content which is important, regardless of how it is delivered in wine, spirits, or beer.

Dr El-Sayed said that the research, which he will present at an international conference in Finland at the weekend, can be extrapolated to a range of beverages, equivalent to a pint to a pint and a half of beer.

Analysis of the blood samples



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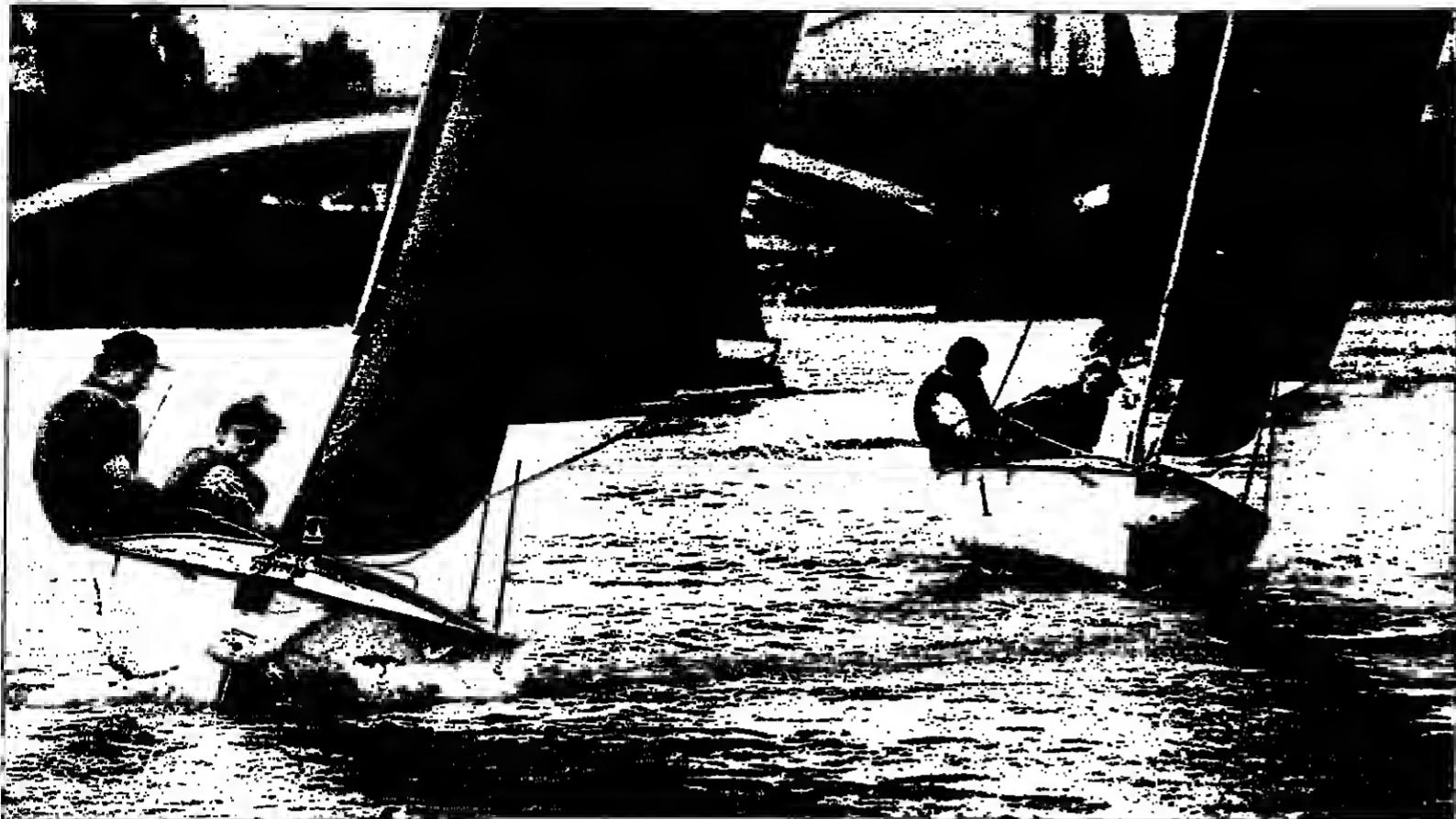
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4 politics



Members of the Lords and Commons yesterday competing in their annual yacht race on the Thames

Photograph: Tom Pilston

Goldsmith finds an unlikely ally in Labour rebel

JOHN RENTOUX
Political Correspondent

Peter Shore, a former Labour Cabinet minister, yesterday backed the threat by Sir James Goldsmith to put up candidates at the next election against his own party.

Sir James has threatened to challenge both Labour and Tory MPs who fail to support a referendum on Britain's membership of the European Union - although so far it is the Tories who have felt the heat most.

Mr Shore, Labour's most senior Euro-sceptic, has stood down at the election, but his support for a rival political party will irritate Labour leaders and is a breach of party rules.

Last week a 78-strong Tory

rebellion in the Commons over Sir James's demand for a "full" referendum was overshadowed by a row over his financial support for rebel leader Bill Cash.

Mr Cash was forced to renounce future contributions from Goldsmith funds.

Sir James launches an attempt to woo Labour's Euro-sceptics today, which could spell trouble for Tony Blair of the kind which John Major has suffered at the hands of a man who has declared his willingness to spend £20m promoting his views in the run-up to the election.

Sir James has given a strategically-timed interview to the left-wing, Euro-sceptic *Tribune* newspaper today. In it he says that he is not in favour of Britain pulling out of the EU, but that Britain should try to "split Europe" in order to block a "federal state". Withdrawal "would be a bad thing for Britain" because it would then be "an island of a German-united continent", but Britain should "insist on a Europe of nations and go in there and fight for it. It has to either convert or split Europe", he says.

He insists that his single-issue Referendum Party "is neither of the left nor the right. It simply exists for that stated purpose. And if the left is interested in some of my ideas, that is all well and good".

Mr Shore, chairman of the Labour Euro-Safeguards Campaign, said: "It is very important that the British people should have a referendum, and the influence of the Referendum Party is the pressure they are putting on the political parties." Of his implied support for candidates other than official Labour candidates, he said: "I'm not recommending such people, but I think it is a very good idea that the people of this country have a referendum."

Sir James's Referendum Party, which demands a referendum on more than just a single European currency, has taken a series of full-page newspaper advertisements recently, has employed a polling company to carry out opinion research and is planning a full-scale party conference in Brighton in October.

A spokesman for Sir James said he might offer financial support to Labour Euro-sceptics but Mr Shore said the Euro-Safeguards Campaign had "emphatically not" been offered or accepted funds from Sir James, and our would it.

Howard's way on crime: Police, Camera, Action



DAVID AARONOVITCH

Last month, some judge or other excited the chattering classes by attacking the Home Secretary in the House of Lords.

This chap (Taylor? Naylor? Something like that) used his retirement speech to suggest that Michael Howard's new proposals for sentencing (three strikes and you're out, life for burglars, the cat for car-thieves) hadn't been properly thought through. Anyway, the usual big fuss ensued and the Government decided to clear the air - you, know, take the criticisms head-on - with a debate.

But three or four weeks elapsed and he has had a lot on his mind, so it is hard to blame the Home Secretary for not actually referring to the Lord Chief Justice's critique at all in his excellent speech yesterday. Someone who has the awesome responsibility of framing laws to protect the law-abiding, while ensuring the rule of justice, cannot be expected to deal with every complaint or pedantic legalism raised by the judiciary.

And while the accusations that the Government is acting on the flimsiest of evidence, that it is only five years since the last major review of sentencing policy, and that injustices will be inevitable, are not unimportant, other matters were simply more deserving of Mr Howard's time.

Like the long and hilarious personal attack on Jack Straw which succeeded Mr Howard's necessarily detailed account of the record fall in crime during his tenure of the Home Office. Regrettably, I can only offer a flavour of this pungent passage, which described the shadow Home Secretary ("a bottom-of-the-market plagiarist") in his three stages of manic depression: first casting around for tough-looking ideas; next, grabbing at the first ones he came across; and finally, living to regret them.

Behind him delighted backbenchers contrasted this with their own champion who, famously, never regrets anything.

"The Home Secretary should remember that he is not addressing a Conservative Party Conference", Labour MP Donald Anderson complained to the Speaker. "I am sure that the Home Secretary knows exactly where he is", said Betty, offering a rare compliment to a minister she clearly admires.

But the ever-smiling Mr Howard did not have it all his own way. His assault on Mr Straw's advocacy of curfews for 10-year-olds founded slightly when it was revealed that the president of the Police Chief Inspector's Association, Brian Mackenzie, had declared himself "delighted" with the proposal.

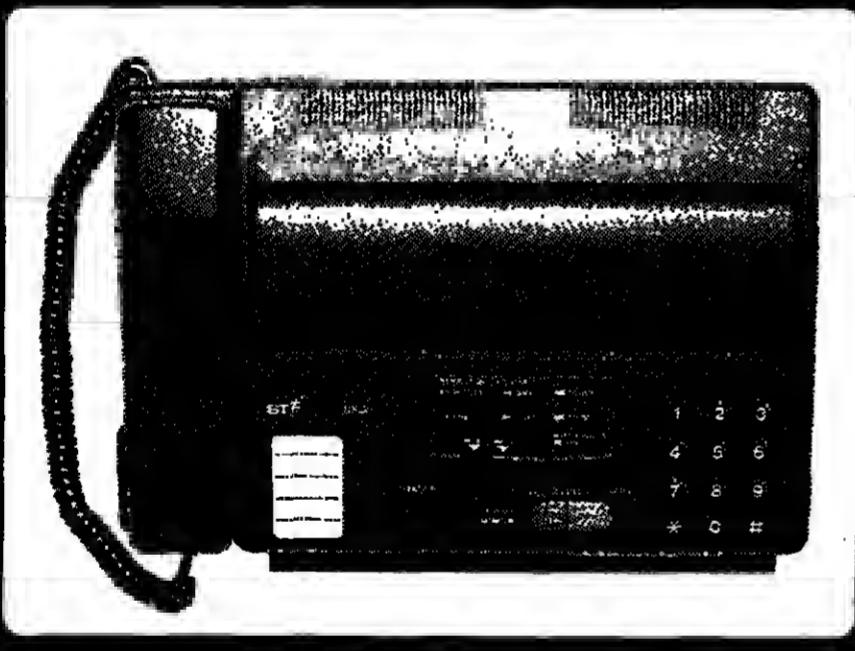
This was a blow. In the modern debate about crime and punishment, the motto of both sides is "Police, Camera, Action" - find out what the police want, make sure the cameras are there, and announce some action. If Brian Mackenzie is for it, Mr Howard must have been thinking, how can I be against?

As the Home Secretary came towards the end of his speech Plaid Cymru MP Elin Jones, made a last attempt to remind him of Lord Taylor's objections. He was pushed aside by a democratic politician who believes in government responding to popular feeling.

The strength of this belief was indicated in his rebuttal of the Taylorian views of the Liberal Democrat Alex Carlile. "I warn the honourable gentleman", said Mr Howard, "that his parliamentary candidates will regret his remarks even if he doesn't."

So there you are - Police, Camera, Action ... Election.

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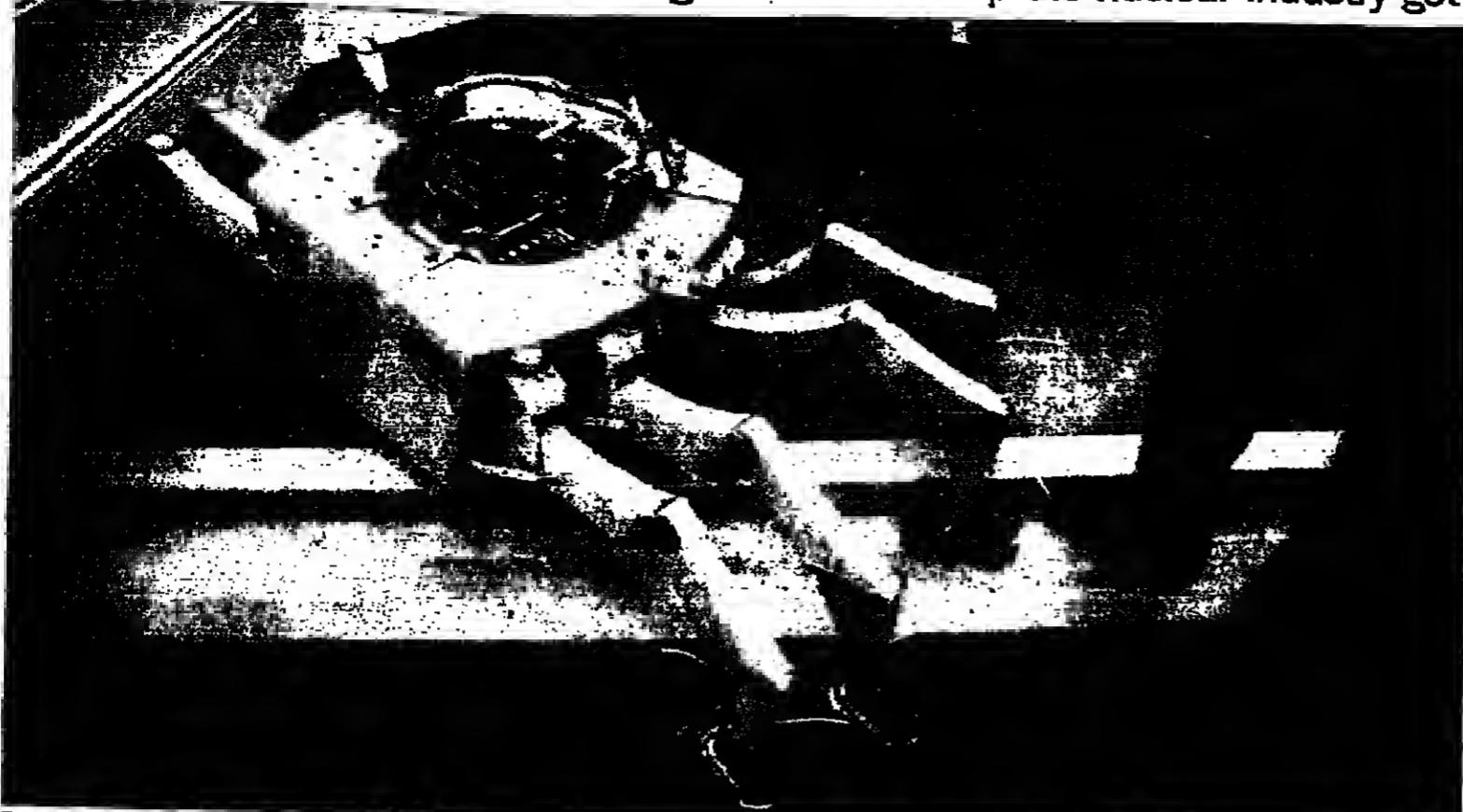
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مكتبة من الأجمل

Robug 3: Scientists have built a giant robot to help the nuclear industry get injured workers out of hazardous environments



Daredevil: Designed to handle anything, Robug can lift or drag the injured from an accident, climb over debris and even climb sheer walls

25-year cover-up of victims in care

ROGER DOBSON

A secret report on the brutal regime at a children's school in North Wales reveals that boys were being abused as long ago as the 1960s.

Boys were regularly kicked, punched, thrown, kneed and viciously beaten by named staff members at the Bryn Estyn school according to an unpublished Home Office tribunal report. In one case, two boys were whipped from head to toe, and one needed medical treatment.

Fourteen workers at the home gave evidence to the tribunal but its report – completed in February 1971 – was never published. It is believed that only a handful of copies of the 255-page dossier exist.

A copy obtained by the *Independent*, established that abuse at Bryn Estyn went on for more than 30 years and started long before the abuse that led to the 1991 police investigation.

Until now, it had been thought that most of the abuse in North Wales was confined to the late 1970s and 1980s. But the emergence of this latest report shows that physical abuse was widespread in the 1960s.

Bryn Estyn was run as a residential school until the mid-1970s when it became a children's home. Children at the home were subjected to widespread physical and sexual abuse in the 1970s and 1980s.

Witnesses gave evidence to the tribunal of boys being punched by a named officer in the head and the stomach and then kicked across the room.

One another occasion, a boy was kicked and punched and thrown against a wash-basin. Another staff witness said, "Mr [X] had canes in both hands and

then proceeded to lash both boys from head to toe. Each of the canes was broken into little pieces."

When one alleged perpetrator was quizzed by the eight-strong committee of inquiry about why he had beaten up a boy rather than use a cane, he blamed a shortage of canes.

"There was a post-strike on and we hadn't applied for any more canes. The canes come from the Home Office in three's you see. I had forgotten the fact that the canes were broken. I just say that the Home Office doesn't supply good quality canes. These were so dry that when they were used they splintered into splinters."

It is understood that no one was prosecuted as a result of the inquiry. All copies of the reports and evidence were recalled.

The report was the first of 15 investigations in abuse of children in residential establishments in North Wales, none of which have been published.

The latest official inquiry into the sexual abuse of children in care in Croydon – to be headed by Sir Ronald Waterhouse, a judge of the Queen's Bench Division – has been blocked by the Labour MP, Ann Clwyd, who fears it will create a "wall of silence" and prevent public debate on the scandal.

Among the issues she is most anxious to raise are allegations made in the Silings Report, publication of which was suppressed earlier this year for fear of libel. These included the pressure exerted by the council's insurance company to suppress the report, and the refusal of North Wales police to accept help from an outside force, despite allegations local police had been linked to the abusers.

DAILY POEM

Carcass of Sheep in Fork of Dead Tree

By John Kinsella

A set up. The carcass slung over a fork in a dead tree, the line-of-sight unbroken from shearing shed, perfect for high-powered rifles with telescopic lenses (targets) for predators. You see, certain birds think nothing of rotting sheep climbing dead trees. Nor, at a later date, when the ribcage has become the staves of an ark stranded by flood, of a photographer convincing his subject to sit naked beneath the wreckage, the grey branches – side stretched such that the nipple closest to the camera becomes as sharp as the eye – a bullet.

John Kinsella was born in Perth, Western Australia in 1963. One of a new generation of Australian poets, he has recently been awarded one of the inaugural Young Australian Creative Fellowships for "outstanding artistic contribution to the nation". Kinsella's preoccupations are, as Len Murray has noted, the "sauvagees of rural Australia", unclean landscapes, punishing extremes of weather, and the mutual struggle for survival of man and the natural world. *The Underworld: New and Selected Poems* is published by Arc at £7.95.

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AND THE EFFECT ON THOSE WAITING

TO BE RESCUED MIGHT BE UNNERVING TOO. PROFESSOR VINK ADMITTED THAT THE SIGHT OF

ROBUG CRAWLING UP A WALL CAN BE A SHOCK: "WHEN IT'S ABOUT EIGHT FEET ABOVE YOU IT REALLY LOOKS FRIGHTENING," HE SAID.

ROBUG 3 IS LIKELY TO BE THE FIRST OF A MECHANICAL FAMILY ADAPTED FOR DIFFERENT JOBS WHICH MIGHT INCLUDE MAINTENANCE, INSPECTION AND SAFETY TASKS ON SHIPS AND IN CHEMICAL PLANTS, MINES AND CONSTRUCTION. PROFESSOR VINK SAID THE SCIENTISTS WERE ALSO TALKING TO OFFICIALS FROM THE DEFENCE EVALUATION AND RESEARCH AGENCY AT THE MINISTRY OF DEFENCE.

news



Dolly mixture: A collection of German bisque dolls' heads from around 1910 forming part of a large sale of toys, dolls and biscuit tins at Sotheby's in Billingshurst, West Sussex, today. This boxed group is expected to fetch £350-450

Photograph: Andrew Hesson

Scott 'misled' over licence for arms to Iraq

ANTHONY BEVINS
Political Editor

Lord Justice Scott was misled by Portillo during an investigation into allegations that Royal Ordnance exported arms-related equipment and material to Iran and Iraq.

Michael Portillo, Secretary of State for Defence, has disclosed that after an eight-month trawl of more than 1,000 Royal Ordnance export licence applications, it has become clear that the company was uniquely exempt from normal legal requirements after the Government sold it off to British Aerospace in 1987.

According to Mr Portillo, the company did not provide "supporting documentation" when submitting applications for export licences.

But February's Scott report into the export of defence-related equipment to Iraq said that after Royal Ordnance had been

incorporated in August 1984 – in preparation for privatisation – with Michael Heseltine, then Secretary of State for Defence, sole shareholder – it "became subject to the ordinary export licensing regime". For good measure, the judge added: "This obviously continued after its sale to British Aerospace."

A letter Mr Portillo sent last week to Labour frontbencher Stephen Byers – in response to a letter from Mr Byers last October – shows that both those statements were false.

Mr Byers suspects Mr Portillo could be putting the knife into Mr Heseltine, the Deputy Prime Minister, who made a sensational Commons statement a year ago on an arms company, BMARC, and export licensing irregularities that allowed a division of arms-related equipment to Iran. Jonathan Aitken, then Chief Secretary to the Treasury, had been a BMARC director and Mr Heseltine's disclosures left him open to embarrassment, but Commons Select Committee investigation is expected to clear him of any impropriety, or knowledge, in a report to be published tomorrow.

Mr Byers told the *Independent* yesterday that Mr Portillo's revelations will embarrass Mr Heseltine because of his direct responsibility for Royal Ordnance before he walked out of Margaret Thatcher's Cabinet in January 1986. "Both Aitken and Portillo are close, politically. Revenge is a dish best eaten cold, and this could be it," he said.

He also said: "This statement raises a lot of questions for Heseltine: what did he know about this in 1985-86? Did he turn a blind eye... and as sole shareholder how did he exercise his responsibilities?"

Mr Portillo said in his letter that while Royal Ordnance had asked to continue its exemption from export licensing rules – like government-owned International Military Sales and the Crown Agents – there was no record of that being agreed.

But, he added: "It would appear from the relative absence of supporting documentation among the export licence applications that some arrangement must also have been agreed in respect of Royal Ordnance."

He also said there was no evidence RO knew of any diversion of their goods to Iran. But he was careful not to clear them of all doubt, saying: "However, the possibility that a third party diverted RO goods without RO's knowledge cannot be excluded."

Union chief is gagged over 'fat cat' deals

BARRIE CLEMENT
Labour Editor

Union "fat cats" who stand to receive huge severance payments worth up to £500,000 have issued an order that their senior colleagues must keep quiet about the controversy.

The ruling executive of the Amalgamated Engineering and Electrical Union, which awarded themselves the "golden goodbyes", has instructed Davey Hall, the union's newly-elected president, not to speak to the press about the severance package. He is the only member of the powerful national committee who will not benefit from the arrangement.

While Mr Hall yesterday refused to comment on the gagging order, sources close to the union said the AEEU's members would be furious that a democratically-elected president with a 24,000-vote majority had been prevented from speaking. The severance deal, revealed on Monday by the *Independent*, has led to growing concern among members of all shades of political opinion about the leadership of the union. The latest issue of the *Engineering Gazette*, a journal produced by left-wing AEEU activists, argues that the union is being "fractured beyond repair".

Under the early retirement package agreed two years ago, the £40,000-a-year executive members can opt to leave the union 10 years early on the equivalent of full pay. On leaving they would also receive lump sums of up to £50,000 and be allowed to keep their BMW and Rover cars, worth more than £20,000. At 65 they would draw a full pension.

The deal was worked out to reduce the executive council from 22 members to nine, following the merger of the engineers' and electricians' unions to form the AEEU four years ago. The executive has so far been reduced to 13 with Sir Gavin Laird, former general secretary, among the beneficiaries of the retirement terms.

Keo Jacksoon, the union's right-wing general secretary and one of the executive members who could opt to take early retirement, has said that details of the arrangements would be disclosed in the annual report which is due to be published soon.

While leftist elements in the union are the most vociferous critics of the "hampers" – as they are known by executive members – both left and right-wingers no the ruling council stand to benefit.

Jimmy Airlie, a left-winger who is expected to retire later this year when he is 60, will be the first executive member to face activists following the revelations. Mr Airlie is due to address shop stewards from the shipbuilding industry who are meeting today and tomorrow in Tynemouth.

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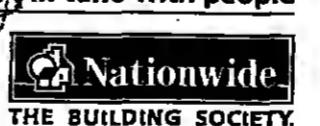
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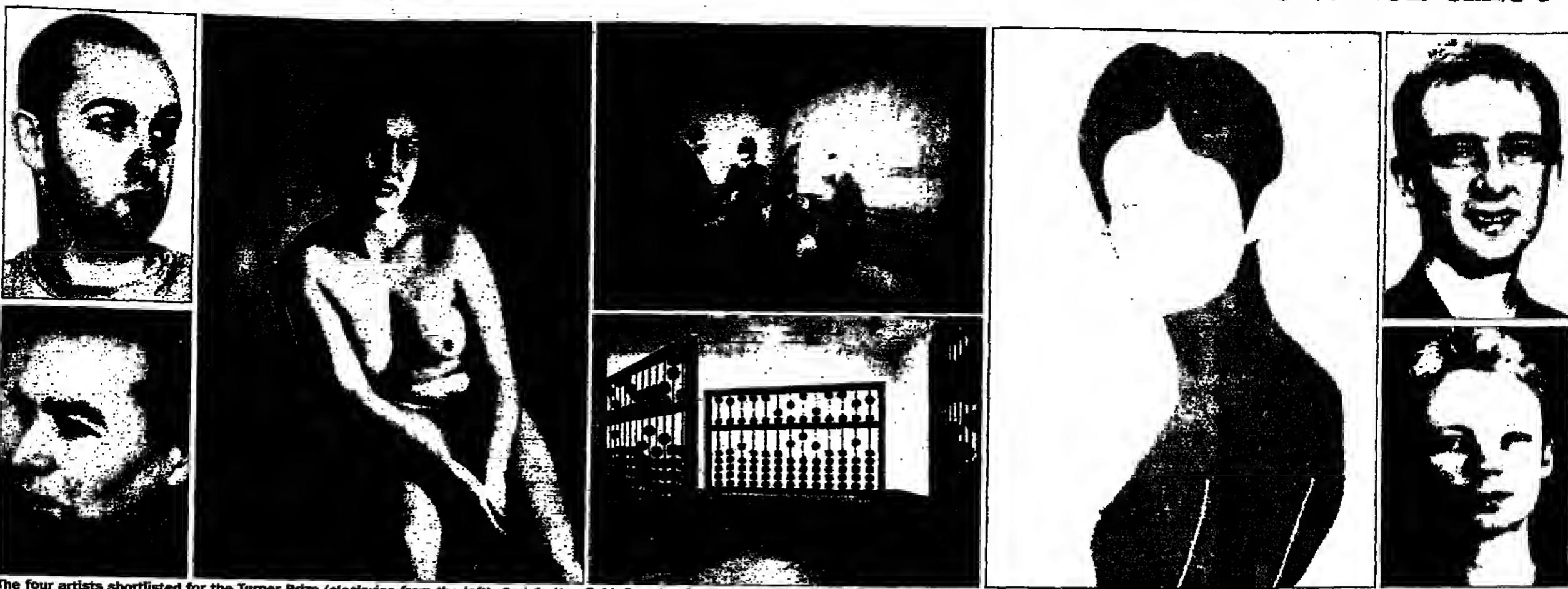
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Finance chief at
Royal Opera quits

misled
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to Iraq

Boys together as women miss Turner Prize shortlist



The four artists shortlisted for the Turner Prize (clockwise from the left): Craigie Horsfield, Douglas Gordon, Gary Hume and Simon Patterson. Examples of their work submitted for the prize are (clockwise from the left) Horsfield's *Andrea Cruz*, Gordon's *Hysterical*, Hume's *Pauline* and Patterson's *Sister Ships*. The exhibits, which can be seen at the Tate Gallery in London from October to January, include painting, film, photography and installation pieces

£20,000 award plays safe with choice of art but risks row over artists' sex, reports David Lister

With one artist whose work includes a 24-hour showing of Hitchcock's *Psycho* slowed to two frames a second, and another who claims that painting can no longer engage with reality, this year's Turner Prize shortlist clings to its usual arena of controversy.

But the judges may inadvertently have created a larger controversy by cocking a snook at "shortlist correctness" and selecting a four-strong shortlist for the £20,000 prize which does not include any women.

Nicholas Serota, director of the Tate Gallery and chairman of the judges, said he and his colleagues were "surprised" when they realised there were no women on the list. Many women artists were producing impressive work and had been considered, he said.

"It may be that there was no single manifestation by a woman artist that quite caught the imagination of the jury. We didn't want to include someone just as a token made to some category, like under-25s or whatever." It is the first time in 10 years that the jury has selected an all-male shortlist. Some critics are already viewing the list as a "safe" one, which, if nothing else, shows that it is now accepted as the unremarkable norm for film, photography and installation pieces to represent the best of contemporary art.

The shortlist was denounced by Brian Sewell, art critic of the London *Evening Standard*. He said: "If the Turner Prize is trying to commit suicide by boring the pants off us, it is going the right way about it. These four are oobodies. They are out of the ordinary or a slap-in-the-face or whatever else. Tate director Nicholas Serota wants to tell us, they are plain damned dull and boring."

The Glasgow-born artist Douglas Gordon, 29, produces work exploring memory and perception. His 24-hour *Psycho*, in which Alfred Hitchcock's thriller was projected onto an overhanging screen and slowed down to two frames a second, is intended to "destabilise the established meaning of films".

The photographer Craigie Horsfield, 46, turned to film and

photography following his "dissatisfaction with contemporary painting's lack of engagement with reality". He chooses his works from hundreds of black and white negatives, including uneasy portraits of his wife, Ava. Horsfield claims we cannot live a moral life without acknowledging our fellow humans. "The acceptance of the other is probably the starting point of an ethical world," he said.

Gary Hume, 34, came to notice with a series of 30 apparently abstract paintings which were based on hospital doors. According to the Turner judges, "Hume had also recognised the potential of a subject hardly explored before in painting, and one out without resonance – to pass through the swing doors in a hospital might well be to pass from life to death." Hume has since branched out into more recognisable images, including a portrait of the DJ Tony Blackburn.

Simon Patterson, 29, takes familiar systems like the London Underground map and subverts them, for instance by replacing station names with those of great philosophers or inventors. This process of displacement and contradiction is said to upset established functions and rationales.

William Hill bookmakers yesterday declared Patterson the 6-4 favourite for the prize.

Mr Serota said: "There are a relatively small number of British galleries that are in a position to mount substantial shows of modern art. In the 1960s David Hockney's work could be seen at a major exhibition in Manchester but local authorities no longer have the resources. I think that it means the British public is failing to be given opportunities to see the work of British artists."

But the public remained keen to see contemporary art, he maintained, and the doors of the Tate sometimes had to be closed at weekends last autumn because of the huge number of visitors to the Turner Prize exhibition, he said.

The exhibition will be mounted from 29 October to 12 January, and the winner will be announced live on Channel 4 on 26 November.

Finance chief at Royal Opera quits

JOJO MOVES

The planned redevelopment of the Royal Opera House was thrown into turmoil yesterday with the news that the institution is losing key figures from its finance department.

Finance director Clive Timms, 47, has resigned "for personal reasons", and the ROH is about to lose its head of finance, David Pilcher, who has been made redundant.

The departures coincide with one of the most turbulent points of the London opera house's history, just as it is about to start a redevelopment that, including its travelling costs, will cost a total of £213m.

The ROH, which became the centre of a controversy when it was promised £78m in lottery grants, has to raise an equivalent amount through sponsorship from businesses and individuals to qualify for the award.

A spokeswoman yesterday said that she could not say how



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دعا من الارجل

Naval blockade lifts in Adriatic

But efforts to stop a Balkan arms race will carry on, **Christopher Bellamy** reports

The naval blockade of the former Yugoslavia was suspended yesterday following the UN decision on Tuesday to end the arms embargo after four and a half years. Nato's Southern Command yesterday said that "Nato and WEU ships will no longer challenge, board or divert ships in the Adriatic".

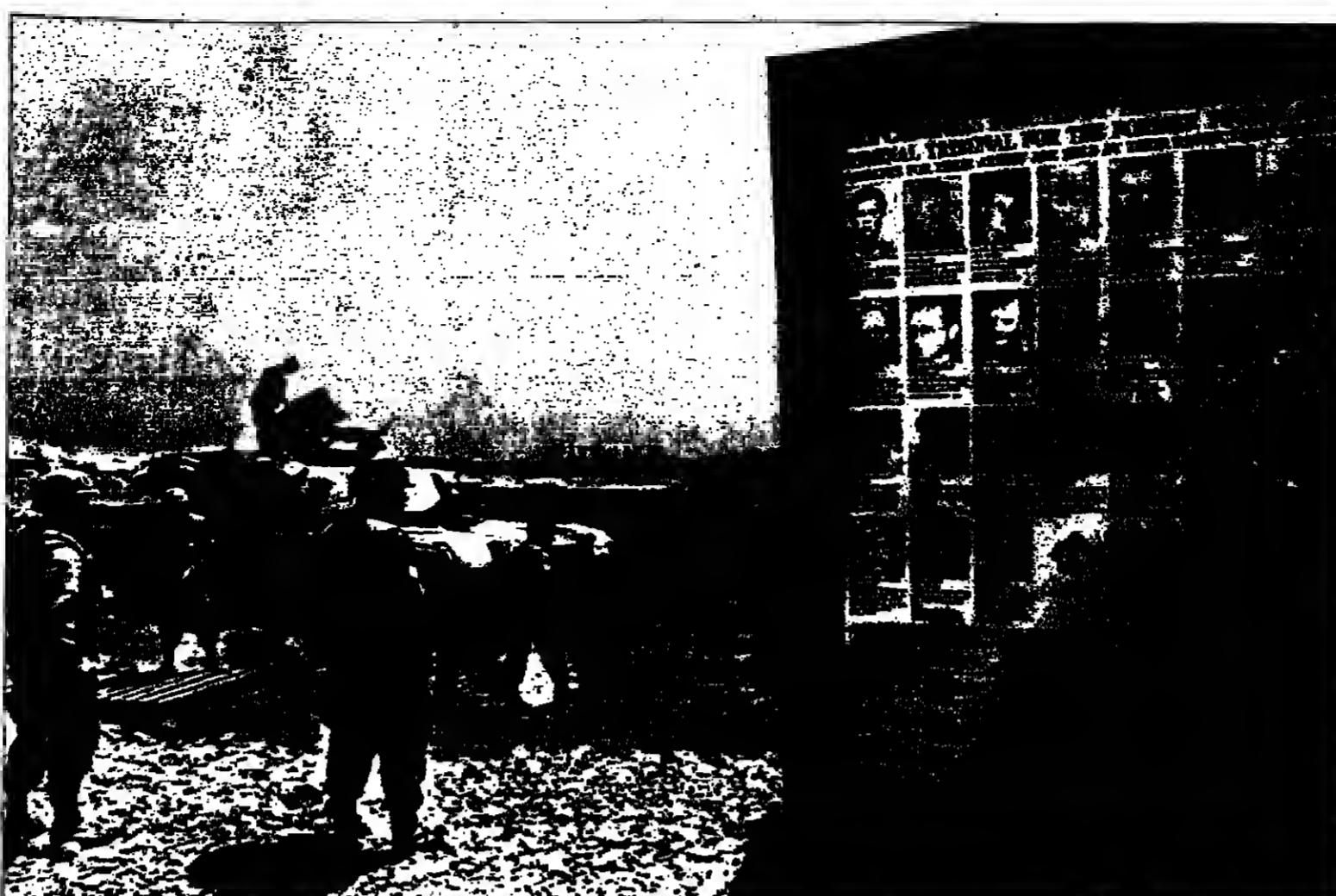
The combined forces of Nato and the Western European Union will disperse but be available if sanctions are re-imposed.

In theory, there could now be a massive influx of arms to Bosnia, Croatia and the Federal Republic of Yugoslavia (Serbia and Montenegro), although senior military and diplomatic sources yesterday said that they thought this would be unlikely, and that the peace implementation force, I-For, will continue to monitor all entry points.

The former warring factions agreed limits on armaments at last week's review conference in Florence. But the limits only refer to numbers of different types of weapons and will not prevent factions replacing old weapons with new ones.

The joint Nato and WEU naval blockade - Operation "Sharp Guard" - began three years ago, on 15 June, although Nato and WEU forces had been patrolling separately since November 1992. Until yesterday 18 warships from 11 countries were involved, including two - HMS *Nottingham* and *HMS Campbeltown* - from Britain. Combined Task Force 440 was commanded by Admiral Mario Angeli of Italy, who also had eight maritime patrol aircraft available for searching for blockade runners.

Yesterday Nato said: "Enforcement operations have been suspended but operation Sharp Guard has not been terminated. Nato and WEU forces



Patrol on watch: With the possibility of an arms build-up following withdrawal by the Western forces, I-For soldiers, like these at the US checkpoint in the Bosnian city of Brodo, will continue to monitor entry points to the former Yugoslavia

Photograph: AFP

will be prepared to resume enforcement operations if economic sanctions are reimposed."

Since November 1992, the Nato and WEU forces have challenged more than 73,000 ships, boarded and inspected almost 6,000 at sea, and diverted 1,500 to ports for inspection. Only six vessels were found to be carrying arms in violation of UN Security Council resolutions. Most of the arms which found their way into the former Yugoslavia came by land, but Nato officials claim that the

maritime blockade had a major effect in preventing escalation of the conflict.

Preventing a build-up of arms now depends on the former warring factions' compliance with the agreed totals, and on the ability of I-For and observers from the Organisation for Security and Co-operation in Europe (OSCE) to monitor what is going on. The Florence agreement limits heavy weapons in the same way as the Conventional Forces in Europe Treaty, affecting tanks, artillery, ar-

moured combat vehicles, aircraft and helicopters.

Within Bosnia-Herzegovina, the Muslim-Croat Federation is allowed twice as many heavy weapons as the Bosnian Serbs, while rump Yugoslavia is allowed a similar advantage over Croatia. Much of the equipment is old, however, and diplomatic sources yesterday said they could not rule out its replacement with new, high-technology weapons.

The arms limits do not apply to equipment such as small

arms, and hand-held anti-tank and anti-aircraft weapons, the type of weapons that the poorly trained local forces could most easily assimilate. The restrictions do not apply either to crucial components of military equipment such as radios, which could such a difference to the Croatian offensives in the Krajina last summer.

While the present implementation force remains in Bosnia, no European Union country will supply weapons to any of the countries affected by

the agreement. The US has said it will provide training but not weapons. However, one block to massive re-armament is the simple fact that the former warring factions are broke.

■ Bonn - A German soldier in Croatia was shot in the leg while travelling in an army vehicle, but not seriously hurt, *Reuter* reports. He was Germany's first peacekeeper to be shot in Croatia. Germany has about 2,700 soldiers in Croatia supporting the NATO-led peacekeeping force in Bosnia.

UN clash with Iraq 'worst since Gulf war'

DAVID USBORNE
New York

The diplomatic stand-off between Iraq and the United Nations worsened yesterday when a senior UN official arrived in Baghdad in the hope of mediating a solution only to be met by a barrage of criticism that branded him a "liar" and a "murdering cowboy".

Rolf Ekkeus, the UN's chief weapons inspector, was dispatched to Iraq by the UN Security Council to try to resolve the latest crisis, which has been termed by officials in New York

the most serious since the Gulf War. "This is of a higher order than any we have had before," a diplomat said yesterday.

The confrontation arose last week when Iraq barred UN inspection teams from entering several sites in and around Baghdad suspected of holding material linked to a weapons programme. A UN trade embargo against Iraq instituted after the Gulf war can only be lifted once Iraq has proved it has abandoned all its programmes to build weapons of mass destruction.

There have been several skirmishes over recent years when Iraq has tried to impede the work of the inspectors. Most have been fairly quickly resolved, however. "The inspectors were simply told last week that the sites were off limits and that is the first time that has happened," the diplomat confirmed.

The Security Council reprimanded Baghdad twice last week and has demanded that full access for the inspectors be restored. Iraq meanwhile is claiming that entry to the sites in question would constitute a violation of national sovereignty.

Mr Ekkeus, who has the task

of judging when, if ever, Iraq is finally free of weapons programmes, was met yesterday by a blitz of hostile comment in the Iraqi media. Particularly violent was a so-called "open letter to Ekkeus", in the daily newspaper, *Al-Jumhuriyah*.

"Mr Ekkeus, you know that we know that you are a liar and that is why you dare not look Iraqi negotiators in the eye," it declared. "You want to enter sensitive sites that are symbols of our national sovereignty, which means that you are deliberately trying to humiliate the people of Iraq with the impudence only

of judging when, if ever, Iraq is found in a murdering cowboy", finally free of weapons programmes, was met yesterday by a blitz of hostile comment in the Iraqi media. Particularly violent was a so-called "open letter to Ekkeus", in the daily newspaper, *Al-Jumhuriyah*.

Mr Ekkeus is not alone in suffering such arrows. Over recent months the Iraqi media has been the vehicle for repeated attacks against Britain and the United States, perceived in Baghdad as determined enemies of Iraq and the prime defenders of the post-Gulf war sanctions against it. In one such outburst recently, the US Ambassador to the UN, Madeleine Albright, was dismissed as "impudent" and a "blabbermouth".

Mr Ekkeus is expected to remain in Iraq for talks with government officials at least until Saturday. He will then return to New York to brief the Security Council. Diplomats concede that no strategy has yet been agreed for action against Iraq, if the Ekkeus mission is a failure.

But the council has been united in countering the latest Iraqi manoeuvres. Both a statement and a resolution condemning Baghdad last week were passed unanimously. In previous discussions about Iraqi sanctions, several council members, including China, Russia and even France, have displayed a greater sympathy towards Baghdad than Britain or the US.

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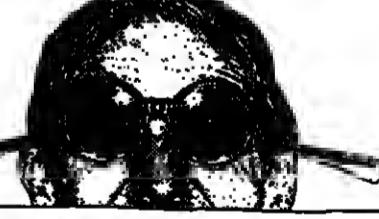
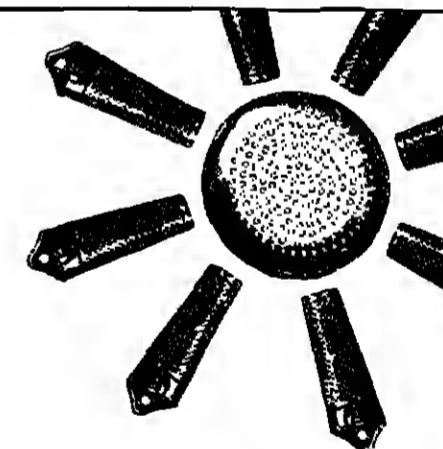
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Clinton seeks to defuse files controversy

RUPERT COWELL

Washington
Battered by Whitewater and still enmeshed in "Travelgate," the Clinton Administration yesterday tried to defuse the separate but perilous controversy over purloined FBI files by naming a career bureaucrat to head a revamped White House office to supervise the use of such sensitive material.

The move came as Congress opened new hearings into what has been dubbed "Filegate" - the mystery over how and why White House political operatives in 1993 and 1994 sought and obtained confidential FBI background files on more than 400 people, some of them prominent Republicans, purportedly to "update lists" of people with access to the White House.

The new security chief will be Charles Easley, a Reagan-era appointee picked to avoid the slightest hint of partisanship. As a further safeguard, the White House said, anyone whose file could be needed will henceforth have to give written consent before it can even be requested from the FBI.

But this latest exercise in damage control had little impact on Capitol Hill where a Republican-controlled House Committee began hearings into the incident, tailored to cause maximum election year discomfort for the Clinton camp.

"Was this part of a larger pattern to compromise the FBI?" thundered the committee chairman, William Clinger of Pennsylvania, as he opened proceedings, "or part of an all-too-familiar pattern of incompetence and incredibly mismanaged record-keeping?"

The latter, insists President Bill Clinton, who has described the incident as a "straightforward bureaucratic snafu." However, subsequent revelations cast doubt on that assertion. Far from being a petty bureaucrat,

Craig Livingstone, the official who sought the files, was a battle-hardened Clinton campaign operative. Anthony Marcera, the aide who actually obtained them, transpires to have been not a humble Pentagon clerk on temporary secondment - but the White House said initially - but a lifelong Democratic Party worker.

To the intense relief of the White House, the fiasco will not be coming under the scrutiny of the White House special counsel, Kenneth Starr, who told the Justice Department this week that he lacked jurisdiction to carry out the investigation.

Far more than raucous Republicans on Capitol Hill, or the continuing fuss over the sacking of the White House travel office in 1993, it is Mr Starr's relentless digging in Little Rock and Washington that poses the real threat to the Clintons: possible criminal charges against several of their close aides and, in the very worst case, indictment of the First Lady, Hillary Clinton, for perjury or obstruction of justice.

Only yesterday for instance, Bruce Lindsey, one of the President's closest advisers and treasurer of his 1990 gubernatorial campaign in Arkansas, was named an indicted co-conspirator in the case Mr Starr is bringing in Little Rock against two smalltown bankers charged with illegally channelling \$13,000 into that campaign.

None the less, the files affair could prove more than just another campaign year flap. The intricacies of Whitewater proper surpass most mortal understanding, but misuse of confidential FBI information is all too easy to understand, for generations of Americans summing up the ghosts of Richard Nixon, Watergate and "dirty tricks" past. Once again the spotlight has been turned on the "character" question.

Leading article, page 15



Burning bright: David Randall, left, and Gary Grant of the New York Knicks basketball team bearing the Olympic torch through Times Square. Photograph: AFP

Nazi past burns a hole in Olympic myth

DAVID USBORNE
New York

It was Monday at 3.09pm that

the Olympic caravan appeared over the brow of the hill and slowly proceeded into our town of Cos Cob, Connecticut. School had finished early and it seemed every soul that lives here was lining the road. Finally, beyond the floats, the police

cruisers and television vans, a flickering flame came into view and collectively we drew in our breath in awe.

This was our day in the glow of the Olympic torch that has been wending its way since 27 April from Los Angeles through the United States on its way to Atlanta for the opening next month of the summer games. It is a giant relay over 15,000 miles and through 42 states, with thousands of runners bearing it for a few fractions of

a mile before passing it onto the next one. "Look, look, there it is," one excited mother gushed to her child. "That is history. Doesn't it give you the chills?"

A "mother flame" was ignited from the sun's rays passed through a magnifying lens on Mount Olympus in Greece on 30 March. And every night of the relay, that flame is placed in a guarded hotel room (always a Holiday Inn, a relay sponsor). The unabashed commercialism of the parade hardly disturbs us - no fewer than 10,000 of these torches have been made to allow every participant to take them home to their mantelpieces so long as they are willing to pay \$275 (£180).

What moves these crowds - and will undoubtedly move President Bill Clinton when he receives the flame at the White House tomorrow - is the sense

of connection: to a universal symbol of peace and to a thread of world history that stretches back to amateur competition in honour of Zeus in Greece several centuries before the birth of Christ. And so we gasp. What we most certainly do not think of is Adolf Hitler and the

July-August issue of the US periodical, *Archaeology Magazine*. Among the misconceptions noted by the professor is the notion that the torch relay has ancient origins.

That was dreamed up by a German named Carl Diem. The professor writes that Diem, who organised the 1936 Berlin games for the Fuhrer, "seized upon the five rings found on a rock at Delphi in Greece. The books identify it as ancient and later adopted as the symbol of the Olympics" and are "considered by experts to be 3,000 years old". More nonsense.

Sadly, it is the 1936 games that provide the truth once again. According to Mr Young, a classics professor at the University of Florida, we should. "Many aspects of our Olympic Games have been justified by specious ancient antecedents," he claims in an article in the

represented a continent of the globe (the Americas being only one). For years, according to the professor, learned books sourced the logo to an inscription of the rings found on a rock at Delphi in Greece. "The books identify it as ancient and later adopted as the symbol of the Olympics" and are "considered by experts to be 3,000 years old". More nonsense.

Sadly, it is the 1936 games that provide the truth once again. According to Mr Young, the rings were scratched into the rock for a scene in a propaganda film about the infamous Berlin games called *Olympia* that was made for Hitler by the German director, Leni Riefenstahl.

There was nothing wrong with all of us getting the chills on Monday. But, if Professor Young is correct, we had them for the wrong reasons.

Echoes of OJ as judge lets footballer go free

PHIL DAVISON
Miami

There were shades of the OJ Simpson trial: a millionaire black American football player on trial for murdering his cousin.

The similarities appeared to end when a jury found Brian Blades guilty of shooting dead Charles Blades after a drinking bout in Fort Lauderdale, Florida, last year. But then, two days later, came the bombshell.

Expecting to be sentenced for up to 10 years, Brian Blades, a 30-year-old with a \$4.5m (£3m) three-year contract as a "wide receiver" for the Seattle Seahawks, showed up to be told how long he would be jailed for. Two minutes later he was as free as OJ and the comparisons and controversy returned.

Within those two minutes, Circuit Court judge Susao Lebow announced that she, as "a reasonable person", had concluded the prosecution had not come up with enough evidence. In effect, she declared the jury's decision to be irrelevant, since the jurors had got the answer wrong. Judge Lebow was almost into her chambers before the defence lawyers realised what had happened. Blades shouted "hallelujah" and his relatives erupted in cheers.

Most of Florida, however, was stunned, saying the ruling showed bias because of Blades' Florida background, fame and fortune, and would encourage youths - especially in Miami's crime-ridden black ghettos - to settle disputes with guns. "An outrageous ruling," screamed a *Miami Herald* editorial. "Surely it will be reversed". The judge is nicknamed "Let 'Em Go Lebow" because of her lenient decisions.

The court had heard the footballer's chancery describe how, after an apparent drunken argument with his cousin, Brian Blades came back to his waiting limousine outside the relative's home to get a gun and return to the house.

In a call to emergency services afterwards, and in testimony, Brian Blades said the gun had gone off by accident.

Russia's
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PHIL DAVISON

Russia's Communists seek coalition deal

The Russian Communist leader, Gennady Zyuganov, yesterday sought to increase his vote before the run-off in the presidential elections, while also hinting that he might be willing to do a deal with President Boris Yeltsin.

In an effort to recruit voters from beyond the core of his party faithful, Mr Zyuganov promised to form a coalition government which would include representatives from every strata of society, including officials working in Mr Yeltsin's administration.

After months of being portrayed as a die-hard revolutionary by the Kremlin's publicity machine, he also explicitly distanced himself from his party roots by saying that he and his Communist-nationalist bloc never sought to rebuild Communism in Russia.

In recent months, Mr Zyuganov has increasingly spoken about forming a "government of people's trust" but yesterday he stressed its all-encompassing character by arguing that it would be neither Communist nor nationalist, but a cross-section of all Russia.

"We will be engaged with everyone," he said yesterday. "No one can go it alone in Russia today. There are those who back Yeltsin; there are those who backed [Alexander] Lebed."



Zyuganov: 'No one can go it alone in Russia today'

Zyuganov wants to build bridges ahead of the election run-off, writes Phil Reeves in Moscow

The only way out is to form a coalition government, and to develop a clear-cut programme, a legislature that permanently controls the executive branch, and greater responsibility for executives at every branch."

On Sunday, he won about 23.6 million votes, some 2.3 million less than Mr Yeltsin and roughly half a million less than the Communist-nationalist vote in December's parliamentary elections. To break the 50 per cent barrier in the run-off, he needs to attract up to 15 million more voters – unless the turnout drops sharply from last Sunday's 70 per cent.

Although he stands a reasonable chance of winning some votes from the ultra-nationalist Vladimir Zhirinovsky (who got 4.3 million) and General Lebed's 11 million electorate, he faces a huge task. This may explain the signs that he is beginning to blink as the final show-down approaches.

Yesterday Mr Zyuganov seemed to acknowledge the possibility of defeat by saying that "whoever comes to power must realise that a single political force cannot manage alone", but will be "obliged to express the actual political sentiments of the people". At the same time, he refused to rule out the possibility of accepting the post of prime minister, were Mr Yeltsin to offer it – suggesting that he is open to doing a deal with the Kremlin.

Whether Mr Yeltsin, who has mounted an increasingly anti-communist campaign, would entertain such any kind of deal with Mr Zyuganov is a different matter. On Tuesday he successfully concluded a pact with General Lebed whom he appointed

secretary of the all-powerful Security Council and national security adviser after the retired general came third.

It is far from certain that this manoeuvre, which also included sacking the unpopular Defence Minister, Pavel Grachev, will mean that the majority of Lebed voters will go to Mr Yeltsin. But it is none the less a setback for Mr Zyuganov. Yesterday the Communist leader met General Lebed, but appeared to emerge empty-handed.

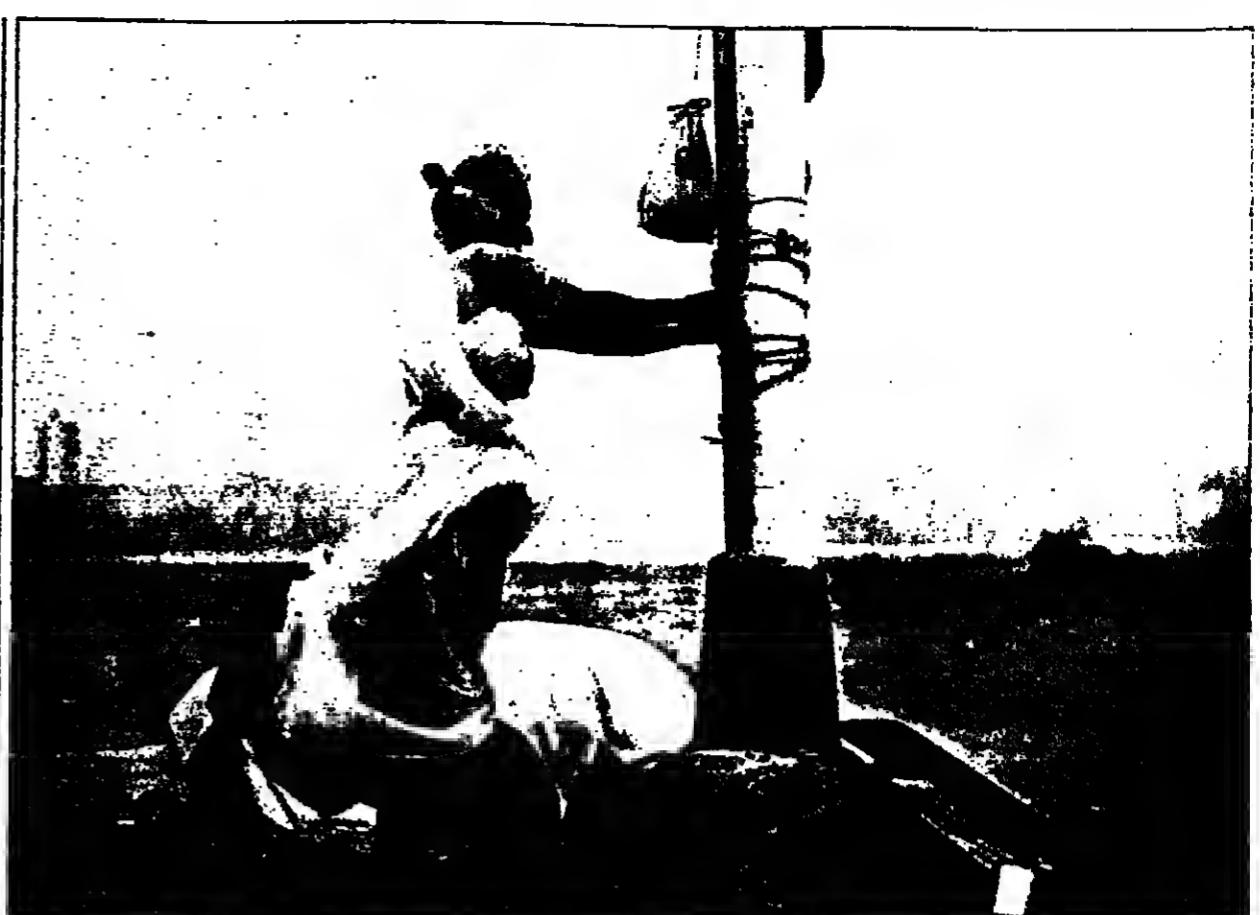
Mr Yeltsin's campaign indeed further forward yesterday. While neither Grigory Yavlinsky, the liberal economist who won 7.4 per cent of the vote, nor Mr Zhirinovsky endorsed the

President, they both advised their supporters not to vote Communist. The renowned eye surgeon, Svyatoslav Fyodorov, who won only 700,000 votes but remains widely respected, also said he would back Mr Yeltsin.

In yet another sign of unusual co-operativeness, Mr Zyuganov supported the Kremlin's bid to hold the run-off on 3 July, which the government has declared a public holiday. The Yeltsin team want to hold it soon because they need a high turnout to be assured of victory, knowing that – unlike their voters – the Communist supporters always tend to go to the polls.

The risk of a low turnout is increased by a host of factors: many Russians have on holiday on 1 July; there is a weariness with elections; up to 5 million students, who lean towards Mr Yeltsin, also go on vacation soon and will be even less inclined to vote than usual.

Windy city: Radhabai Salunkhe, 80, holding on to a lamppost against a fierce gale yesterday as Bombay was hit by the edge of India's latest cyclone, which has torn across Gujarat and killed at least two people. Photograph: AP



SIGNIFICANT SHORTS

Binyamin Netanyahu, Israel's new Prime Minister, used his first Cabinet meeting yesterday to clip the wings of his defence and finance ministers and concentrate strategic policy-making in his own hands on the American presidential election. He announced the establishment of a National Security Council and an Economic Advisory Council, both reporting directly to the Prime Minister.

Yesterday's initiatives were designed to restore Mr Netanyahu's credibility after the flop-over of his inauguration on Tuesday night. He struggled for five hours to persuade his old Likud rival, David Levy, to take the Foreign Ministry portfolio, and to find a job for the ex-Defence Minister, Ariel Sharon.

In the end Mr Levy was sworn in and Mr Sharon was offered a hastily-cobbled new Ministry of National Infrastructure. By last night, he had still not accepted it. Eric Silver – Jerusalem

The German cabinet approved a package of measures which for the will allow police to bug private homes to investigate serious crimes. The agreement marked the end of years of wrangling between Chancellor Helmut Kohl's Christian Democrats and his liberal coalition partners, the Free Democrats (FDP), who initially resisted what they saw as an infringement of civil liberty. Reuter – Bonn

A Spanish man lost both legs when a car-bomb meant for someone else exploded in the northern city of San Sebastian. Santiago Lelizte, who works at the Basque employers' organisation Ades, was moving the car of the firm's secretary-general inside a garage when the device went off. The attack bore the hallmarks of the Basque separatist rebels, Eta. Reuter – San Sebastian

Ash clouds from New Zealand's Mount Ruapehu volcano caused more havoc for airlines and forced doctors to summon a rescue flight from Australia to evacuate a critically ill patient. Plans to fly the 19-year-old woman out via Auckland, New Zealand's biggest airport, were wrecked on Tuesday when ash clouds forced the cancellation of all overnight flights to and from the northern city. Reuter – Wellington

A rocket attack by bandits on a tourist taxi travelling to the Angkor temples has left two Germans injured and emphasised the increasing dangers for foreigners in Cambodia. AP – Phnom Penh

Aformer top opposition politician denied charges that he spied for East Germany for nearly two decades. Karl Wierand, 70, once a prominent Social Democratic member of parliament, told a Dusseldorf court he found out only after the Communist state collapsed that one of his contacts there had worked for the Stasi secret police. AP – Dusseldorf

The sect accused of the Tokyo subway gas attack has transferred leadership from guru Shoko Asahara to his two sons, in the face of a threat of being outlawed by the Japanese government. The boys, whose names and ages have not been released, will take over from their father as "spiritual leaders", acting cult chief Tatsuo Maruoka said. The move by Aum Shinrikyo comes before a hearing tomorrow to decide whether to outlaw the sect. Reuter – Tokyo

Abear discovered the corpse of a victim of an April aircraft crash in the snow-covered mountains of Russia's Far East. The Il-76 cargo plane had 21 people on board when it crashed on the remote Kamchatka peninsula on 4 April. Rescue workers had found the bodies of 13 of the

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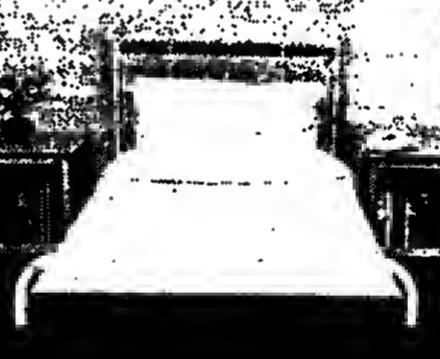
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IRA on road to nowhere

The return of violence would be terrorism without a strategy, says David McKittrick

In the wake of an IRA atrocity such as Manchester, the democratic decenties seem to dictate that as much civic outrage is directed at Gerry Adams and Sinn Fein as against the IRA. As the public face of republicanism Adams acts as a lightning conductor, attracting the anger and indignation of those who see the destruction, the blood pouring from people's heads, and want to know why he cannot simply stand up and say: "I condemn the IRA for doing that."

He never will. He has already dug deep into his thesaurus recently to say he was shocked and saddened by the bomb and relieved that no one was killed. When an Irish detective was murdered in Limerick this month he described it as completely and utterly wrong and declared: "I repudiate and renounce it."

But he will not use the word "condemn", because in republican terms that word carries a huge emotional charge. For Adams to use it would in effect amount to either a formal proclamation of a split in the republican movement or his effective departure from it.

The justification of hoping for a split is that it would weaken the IRA militarily and politically. But judging from past experience the IRA survives splits, emerging as more militaristic as ever and if anything less subject to political inhibitions. If Adams were to leave the republican movement, he would become in effect a second John Hume, beseeching from the outside rather than working on the inside.

It is difficult for democrats to come to terms with the fact that Adams will not condemn IRA violence, but this is accepted as an unpalatable but unavoidable fact of life by senior security figures. A similar situation arose late in 1993, less than a year before the IRA cessation, when the IRA bomber Thomas Begley killed nine people and himself in the Shankill Road bombing.

The world's outrage at the carnage was redoubled when Adams was pictured carrying Begley's coffin, but senior security sources, then as now, were unsurprised. A high-level security source later said: "Anyone who would castigate Adams



Back to the bad old days: Republican families liked having streets free of soldiers during the ceasefire. The experience gave the ghettos the vision of a way other than the unthinking violence of the old grim war

for carrying the coffin could have no concept of republicanism. If he were involved in a process to turn republicans away from violence, for him to have credibility there wasn't any way he could shun being closely identified with the funeral."

The man who said that has had colleagues and close friends killed by the IRA, was himself for many years on their target list, and may well be again. In private he exhibits the quality that very often distinguishes many security people in Northern Ireland from their political masters in London: a willingness to face facts as they are.

He and other security people

would prefer to have Adams inside the 'apolitical' tent rather than outside it. They are confident that there is a peace party within that movement. In security circles there is also the firm view that there will be no split – and also, interestingly, a feeling that a split would be an unfortunate development which would not bring peace nearer.

Unusually, this was spelt out publicly last year by the RUC deputy chief constable, Ronnie Flanagan, who said in a BBC interview: "The paramilitary organisations are still intact, but the irony is that they must remain intact. If we are going to have a peace delivered then we can't have people frag-

menting all over the place and a measure of communal solidarity." These include a generalised sense of loyalty, a widespread feeling in the ghettos that Britain threw away the opportunity of the last ceasefire, and perhaps a fatalistic sense of inevitability. The return of troops to the streets, and the assumption of loyalist attacks on Catholic districts, will tend to unify the republican community.

But there is no doubt that a large majority of that community would regard a renewed

ceasefire on the streets: that almost all republicans were relieved when the ceasefire was declared, and that the peace process was tremendously popular among them.

Right through the ceasefire the general republican view was that the British were dragging their feet, that prisoners should have been released and talks opened. Yet, for all this, the process continued to have widespread support. Ghetto families liked streets free of soldiers, liked the lifting of the

war. They might have believed it before, but there's no conviction about it now. They will go along with it out of family ties, history, and so on, but the issue will be how long can you sustain a war if you don't believe in it."

This illustrates the central weakness of the IRA's position. Republicans have become used to participating in politics and the peace process, watching and following a Sinn Fein leadership that radiated a sense of purpose and direction. So far the IRA has set out no strategic vision of how attacks such as Manchester advance the republican cause.

As a result there is much puzzlement in the ghettos as to what the new game-plan could be. The republican movement is not a democratic entity, but the grassroots do expect a clear line of strategy to be laid out. At the moment no such explanation has been given.

At this dark and uncertain time, this in itself offers some glimmer of hope. No one is in any doubt that the IRA could set off more bombs; the issue is whether a campaign could be sustained. The IRA itself may be determined to march backwards into the past, but a movement without a viable philosophy is, in the long run, going nowhere.

'An absolute truth now is that nobody believes there's an advantage to war'

war with deep dismay, and contemplate a return to full-scale conflict with the heaviest of hearts. There are many reasons for this.

Until 1994 the IRA waged its terrorist war with the support, formal or implicit, of 80,000 people who regularly voted for Sinn Fein. At 10 or 11 per cent of the vote and more than a third of the nationalist vote, this indicated a high level of tolerance for violence.

But the rise in the Sinn Fein

threat of loyalist attacks on their pubs, and liked the freedom to wander into places previously too dangerous to venture into.

They liked Sinn Fein's particular brand of politics, with Gerry Adams shaking hands with Hume, Reynolds, Clinton, Mandela. For all Britain's alleged obduracy, the ceasefire brought to that community a new sense of momentum, of doors opening and horizons widening. This was a stark and welcome contrast to the old days of isolation and exclusion. Now the question is whether

those feelings count for anything within republicanism. In contrast to the pragmatism which has characterised Sinn Fein in recent years, the IRA army council appears to think in a formalistic way: a cessation was called to facilitate negotiations; real negotiations were not on offer; therefore it was back to the bombs.

But those in the IRA who

believe the conflict can simply be resumed where it was left off are surely wrong. The old war trudged grimly, murderously, on almost out of unthinking habit, the bombings continuing because nobody seemed able to suggest an alternative way. The peace process gave the ghettos a vision of another way. Much will now depend on whether some mechanism exists for those people to register their disapproval of a resumption.

The old war had, in any

event, lost much of any logic it ever had – for the simplistic belief that the British would eventually surrender and go home had become unconsciously threadbare. Today the sense is ingrained that there can be no military victory over the British army.

A community worker in the

heart of West Belfast said this week: "One of the absolute truths now is that nobody believes there's an advantage to

war.

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the commentators

Michael Howard, leadership contender

He may look shifty on television, but he believes he has a real chance of succeeding John Major

It's Law and Order Week. Opening a Government-arranged debate in the Commons on his sentencing White Paper, Michael Howard yesterday defied his critics among the judiciary, the liberal establishment and the Tory peerage by beginning a new chapter in the party's relentless effort to wrongfoot Jack Straw and the Labour Party on crime.

The Home Secretary's appearance at the dispatch box was calculated to influence, to the advantage of his party and himself, two decisive events still likely to take place in 1997: the general election and the struggle for the party leadership that will follow the Tories' predicted defeat. For Michael Howard sees himself as a serious candidate to succeed John Major.

To propose him as a potential Conservative leader is to invite ridicule within many quarters of the Tory party as well as beyond it. The case against it is formidable: Douglas Hurd said in his wise Commons speech after standing down as Foreign Secretary that such was the modern public distrust of politicians that those who succeeded in the future would be those who least sounded like politicians. Of the available candidates, only Kenneth Clarke begins to fulfil that ideal. Howard is the living antithesis of it: politician rather than statesman in image, he sounds

and looks shifty and untrustworthy on television. He exudes the air of a man whose principal conviction is scoring off his opponents. He has failed to reverse the impressive poll lead on law and order built up for Labour by Tony Blair. There aren't many MPs for whom he would be the first choice.

There is also one dreadful reason for the conventional wisdom that Michael Howard won't become leader. The Tory party hasn't opted for a Jewish leader since Disraeli was a rather outstanding one. There is still a lively if unacknowledged vein of anti-Semitism in sections of the Tory party, which is normally only exposed in times of crisis if it helped to do for Leon Brittan what it played a part in the lynch that saw off Edwina Currie – and it informed some of the grandees' dislike of David Young. With these handicaps, justified and utterly unfounded, how could Howard succeed?

Let's assume that Tony Blair wins the election, and that John Major ignores any pleas to hang on for a year or so. The leadership campaign that follows will be extraordinary both for the number of candidates and its length. Under the party's new rules, the ballot cannot take place until three months after the opening of the new parliament.

There is one certainty and one assumption about the contest. The certainty is that the party, after a fresh intake of new MPs who grew up in the



DONALD MACINTYRE

There is still a lively vein of anti-Semitism in the Tory party

candidates include, beside Howard, John Redwood, Michael Portillo, Stephen Dorrell, Malcolm Rifkind, Gillian Shephard, Ian Lang, Brian Mawhinney and Kenneth Clarke. That is not counting Michael Heseltine, who one senior minister said this week "absolutely" could not be ruled out, especially if Tony Blair were to secure only a narrow majority – not a returning Chris Patten.

There is one certainty and one assumption about the contest. The certainty is that the party, after a fresh

intake of new MPs who grew up in the Thatcher years, will ensure another pronounced swing to the right. That is the reason for the subtle repositioning of candidates with roots on the left, such as Dorrell and Rifkind. The second is that for the three most prominent right-wingers, Redwood, Portillo and Howard, the first ballot will be a "primary". There is the genuine prospect that they will therefore compete with each other in extremism on everything from the EU to capital punishment, in which case Howard would probably come off worst. (He no longer believes in hanging, and to his credit says so.) But there will also be a strong countervailing question: who would split the party, and who would have a sporting chance of holding it together?

The argument for Howard goes like this: he has long-term street cred on the right, which Dorrell and Rifkind do not: after Black Wednesday, he saw off in Cabinet an attempt to pledge that Britain would go back into the ERM. He stiffened Major's insistence on the Social Chapter opt-out. But he has also been loyal. He didn't resign and challenge Major, and he didn't allow a bank of telephones to be installed in a safe house before the 1995 leadership contest was anything like over. Moreover, he is part of a generation of Cambridge friends that

crosses the political spectrum. And he has longer experience, at Employment and the Home Office, in tackling Tony Blair head on than any other member of the Cabinet.

He does not yet have a big constituency in the Commons. But some Tories insist that credible figures such as Sir Nicholas Bousfield, David Maclean and Archie Hamilton would back him. So, I suspect, would Tim Collins, a former Howard adviser who, as part of the Major inner circle, could be especially influential with the new intake, of which he will be a part. And in a long campaign they would do their utmost to expose some of the passion and engagement which his supporters point out he displays much more privately than he does in public.

There are lots of reasons why this might not work. They may be old friends, but would Clarke really serve in a Shadow Cabinet that Howard would swiftly commit to opposing a single currency? And is Redwood, who pointedly didn't show up at the Goldsmith-Cash-Altenbeau last week, incapable of broadening his appeal? Won't the party decide that Howard could never win an election and opt instead for a centrist, such as Lang or Shephard? And so on. It may well not happen; but a discreet, long-range campaign is under way.

It's a book about a model, stupid

INSTRUCTIONS NOT INCLUDED
Paula Hamilton
Michael Joseph, £15.99

I've just finished reading Paula Hamilton's book *Instructions not included*. Why did I continue to turn page after page? Why, when nothing I know or have ever read about Ms Hamilton would indicate she could write anything as fascinating as a shopping list?

It crossed my mind as I picked up the book that its publishers have a good reputation. They're not fools, they don't publish any old thing. They haven't stinted on print and production. Nice quality paper, thoughtfully chosen typeface.

So, you figure, maybe there's a moment of revelation, some extraordinary turning point, a sprinkling of what used to be called wit and wisdom, maybe an insight or two, or even a paragraph of good writing in Ms Hamilton's autobiography that caused an editor to say, "Fantastic. Let's go with it." You read on because sometimes it's great to be proved wrong. I was wrong last night about England's 4-1 win over Holland.

You've never heard of Paula Hamilton? You haven't the faintest idea who she is? As my friend Mr Bywater would say, "She's on the cusp of the zeitgeist. A woman for our time. A creature of the age."

Model, actress, tall, slim, blond, totally self-absorbed, educationally challenged, she has a dysfunctional family, she likes elephants and she's married and dated difficult men. There have been ugly moments with drug and alcohol abuse and more therapy sessions than anyone has a right to know about. In common with our own dear Princess of Wales, she speaks fluent psychobabble.

At the apex of her career she made a three-minute TV commercial for Volkswagen where she threw away her boyfriend's car-keys. This made her incredibly famous and sought after by tabloid journalists and armies of photographers. As she herself puts it poignantly on page 139, "Airlines let it slip when celebrities travel. How else do you think the press will know where we fly in and out of the country?"

Interesting about celebrities in the Nineties, isn't it? You don't need to be able to do anything at all and the one thing a celebrity doesn't need is talent. Talent? What's that?

What also strikes you in a dull, thudding, well now-you-come-to-ask way about Paula Hamilton is she doesn't seem to have learnt anything, although by the last chapter she's off alcohol, in love and



VW model Paula Hamilton

has had an emotional experience reading Naomi Wolf's *The Beauty Myth*.

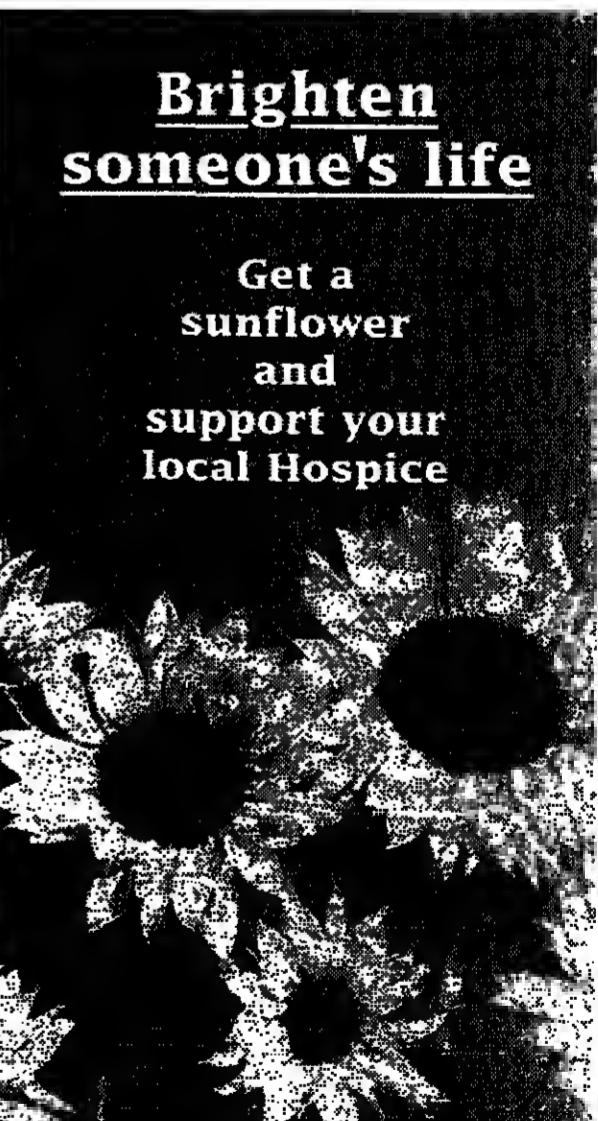
Mostly when you read an autobiography you feel something at some point for the writer. This is an unusual book in that, as a reader, you feel nothing. I guess the endless "I suffered major mood swings, I was oversensitive and hyperactive, I fabricated the truth", "The dope in Mexico was strong, but not strong enough – my feelings of shame, inadequacy and low self-worth started to come up again", "Relationships at the best of times are hard work, I believe great skills are required for a successful relationship", "I felt abandoned, confused, lost and hopeless", "Today as result of all my experiences I have learned to put myself first: that way I am strong for me – therefore strong for you, get to you. You nod off, you get distracted by a passing cat. You consider hoovering for the first time in years. You wonder idly what's happening in publishing".

This is from a serious publisher. Has the tabloid effect crept up like the tide to slowly engulf everything? God, I've just thought. We could be in for a slew of books from the other cusp of *zeitgeist* women. All those women with zero talent and nothing to say. The back of my neck is becoming uncomfortably warm just thinking about it. The life and times of Tamara Beckwith, Kate Moss, Anthea Turner, Ulrika Johnson, Gaby Roslin, Tara Parker-Pomplin, Tania Bryer. There's hundreds of them. Indistinguishable. Listen I shan't say more. But if you've got £15.99 going spare, go and buy one or two of Stevie Davies' books. They're in paperback, published by the Women's Press, and the woman writes like a dream. If you're mad about good books, you're going to be hoping mad if anyone persuades you to plough through *Instructions not included*. Trust me. Don't.

MARCEL d'ARGY SMITH

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Dr Carey's pilgrimage of peace

The Archbishop's trip to Rome will help to smooth ructions between the churches, says Andrew Brown

High ho, high ho, it's off to Rome we go! The Archbishop of Canterbury, Dr George Carey, is to pay his first official visit to the Vatican in December.

One wonders why he bothers. There are, in fact, good reasons for him to go, but they have nothing to do with any hope of union between the Roman Catholic Church and the Anglican Communion. These have been comprehensively shattered over the past 10 years, and one of the first and most decisive blows was struck the last time an Archbishop of Canterbury paid a formal visit to the Holy See, in 1989.

In an extraordinary sermon from the pulpit of the church from which St Augustine had set off in AD597 to convert Britain, the Pope made it clear

that so far as he was concerned, any future Archbishop of Canterbury returning to that church should also return to obedience to Rome. The Archbishop thus rebuked Dr Robert Runcie, who had received Pope John Paul II in a historic ceremony in Canterbury Cathedral in 1982, the first time a Pope had ever visited Britain.

The particular point disputed between the two men was the ordination of women, which, as head of the Anglican Communion, Dr Runcie was obliged to defend. But this was only an instance of the general tendency that constitutes, to the mind of Pope John Paul II, the underlying obstacle to Christian unity – the tendency of other Christians to disagree with him. Christian unity has long been a pre-

occupation of this Pope; and the more deeply he has considered the subject, the more clearly he has come to understand that the key problem is the refusal of other churches to acknowledge the authority of his office.

The Anglican Communion stands as a model for unity

Last year, he issued an impassioned encyclical, *Ut Unum Sint*, which was widely interpreted as an appeal for unity between the Roman Catholic and Orthodox churches by the millennium, especially by people who had

not read it. It did contain these passionate, pious hopes, but it also contained an unequivocal declaration that the authority of the papacy in any united church would cover every important aspect of Christian practice and belief.

In a similar, though less dogmatic, vein, Dr Carey has been explaining on a recent tour of America how the Anglican Communion, the loose agglomeration of 70 million Christians world-wide which he heads, can by its disagreements over every important aspect of Christian practice and belief stand as a model for unity to the world.

The fall-out from the Church of England's decision to ordain women in 1992 was so bitter and prolonged that when Dr Carey last visited the

Pope, in 1992, this was formally part of a visit to the Italian Catholic church and not to the Vatican. Even then the Archbishop let it be known on the eve of his visit that he would upbraid the Pope for his reactionary beliefs about contraception.

For 30 years, it seemed as if the tide in interchurch relations was bringing the two communions closer. Now that tide has clearly turned. The ructions over the ordination of women have brought home to ordinary members of both churches just how much they disagree with each other.

This disagreement is friendlier, perhaps, than it was. It is also better informed. Dr Carey's visit is not going to bring about an outburst of unity, but it may be necessary to keep visible unity under control.

هذا من الأصل

obituaries/gazette

Sir Maitland Mackie

Maitland Mackie was the eldest of the three remarkable sons of Dr Maitland Mackie, a farmer to Aberdeenshire. His younger brother was John (then Lord) Mackie, MP for Enfield, Parliamentary Secretary to the Ministry of Agriculture in the Wilson government and later Chairman of the Forestry Commission. His youngest brother George, Lord Mackie of Benshie, is a Liberal spokesman and for 20 years was chairman of Caithness Glass, and much else.

The Mackie family are tremendous innovators and Maitland was their patriarch. Last year there was a gathering of 165 of the 203 direct descendants of his grandfather at the Mackie home at Westerton. Maitland himself was an innovator *in excelsis*, in not one but two different spheres — agriculture and education.

He was the first Scottish farmer to make silage and pioneered techniques for its storage. He was the first to develop loose housing for dairy cows and the first man north of the Tay to acquire a combine harvester.

As a governor of the North of Scotland College of Agriculture from 1968 to 1982, he was a driving force in promoting experiments to increase agricultural output in inclement conditions and harsh climates.

Mackie: a lucky chap

His lifelong involvement with the Rowett Research Institute helped to produce resources for distinguished research on wool and other products.

From 1965 to 1982 Mackie as chairman of the Aberdeen District Milk Marketing Board had an influence on the development of that board's activities throughout Britain. His interest in the proper marketing of milk may have arisen from his own experience as a teenager of knocking doors in Aberdeen and Huntly in order to get regular customers.

Mackie was also an educational innovator. In 1961 he spent a fortnight on board the ship school *Dunera* on an educational cruise to Bergen, Oslo, Copenhagen, Hamburg and Amsterdam when I was director of studies on the British India ship. Late into the night he would discuss ways in which ever more mature 14- and 15-year-old pupils could fill the last year at school and staying on could be made worthwhile. Work experience in the embryo North Sea oil industry on-shore, farm life for urban youngsters, courses in building techniques — all these ideas and more flowed from Mackie's fertile mind and were implemented at the behest of the education committee of which he was chairman.

Ian Dallyell

Maitland Mackie, former politician and educationalist; born North Yester, Aberdeenshire 16 February 1912; CBE 1965; Lord Lieutenant of Aberdeenshire 1973-87; Ki 1982; married 1935 Isobel Ross (died 1960; two sons, four daughters); 1963 Pauline Turner (died 1993); died Westerton, Aberdeenshire 18 June 1996.

Births, Marriages & Deaths

DEATHS

ADAMS On 15 June 1996, Hilda Margaret, calligrapher and illuminator, of Col House, Upper Colwell, Herefordshire, widow of the late Harry Adams. Much loved. Requiescat in pace. At the Church of the Most Holy Trinity, Hereford. Burial in the churchyard on Monday 24 June at 11am. No flowers please.

TAYLOR Martin, author of *Lads*, aged 39, on 16 June, after a defiant struggle with illness. Funeral on 24 June at St Paul's Church, Cramlington, SW5 on Friday 28 June at 2pm followed by cremation. No flowers please. Donations if desired to MIND. Enquiries to the family funeral directors, 0191 255 0008.

FOOLHOUSE Harold William, born on 12 July 1932, died 19 June 1996.

IN MEMORIAM

BRIGGTON Sandy. Happy days. Love and miss you. Mark.

ANNOUNCEMENTS FOR GAZETTE

BIRTHS, MARRIAGES & DEATHS (Births, Adoptions, Marriages, Deaths, Weddings, Birthdays, Memorials) should be sent in writing to the Gazette Editor, The Independent, 1 Canada Square, Canary Wharf, London E1 4SD, telephone 0171-292 2011 or faxed to 0171-292 2010, and are charged at 54.5p a line (VAT extra).



Scene-stealing: Van Fleet in the role for which she won an Oscar, as James Dean's mother in *East of Eden*, 1955

Photograph: Ronald Grant Archive

Jo Van Fleet

Jo Van Fleet was a powerful actress, described by Elia Kazan as "full of unconstrained violence", who frequently played roles older than herself. She won an Oscar for her first film role, as James Dean's mother in *East of Eden* (1955). On both stage and screen she created a gallery of stoic, fiercely dominant women, many of them proud or manipulative mothers.

Born in 1919 in Oakland, California, she was educated at the College of the Pacific in Stockton. Encouraged to go to New York to pursue an acting career, she won a scholarship to study at the Neighbourhood Playhouse under Sanford Meisner. She made her Broadway debut as Dorcas in *A Winter's Tale* (1946) and played Regan to Louis Calhern's King Lear in 1950. Elia Kazan, whom she later credited as a major influence on her life, first directed her in *Flight into Egypt* (1952), but it was her role as Camille in Tennessee Williams's controversial *Camino Real* (1953),

also directed by Kazan, that established her.

Kazan brought her to Hollywood for *East of Eden*, and her success led to other films: *The Rose Tattoo* (1955), *I'll Cry Tomorrow* (1955), as an archetypal stage mother pushing daughter Lillian Roth (Susan Hayward) to stardom, *The King and Four Queens* (1956) with Clark Gable, and as Doc Holliday's girlfriend Kate in *Gunfight at the OK Corral* (1957). Holliday was played by Kirk Douglas, who later recounted his admiration of Van Fleet's method approach: "I once had to heat up my hooker girlfriend — I wanted to be pumped up and asked me to slap her before we did the scene. We did it over and over and every time she asked me to hit her, and hit her harder."

Returning to Broadway, she won both the Tony and Donaldson awards for her irritable Jessie Mae Watts in *A Trip to Bountiful* (1957), and the following year won the New York Drama Critics Award for *Look Homeward, Angel*, in which she played the acquisitive mother of Tony Perkins, who later described the scene-stealing battles in the play. "The worst duel I figured in was between Jo Van Fleet and Hugh Griffith . . . it was always hair-tearing time between them. Hugh would clutch his heart and say, 'Do you know what that *** did to me today?' Her knuckles would turn white when she'd say the same thing about him."

She returned to the screen to star with Montgomery Clift and Lee Remick in Kazan's *Wild River* (1960) as the obdurate 89-year-old matriarch who refuses to leave her farm in a valley about to be flooded by the Tennessee Valley Authority in 1935. Only 41, Van Fleet would spend five hours every morning getting into her make-up and applying wrinkles, insisting that the liver spots were put on her hands even for long shots where they would not be seen. The final wordless scene, in which she

sits on the porch of the small townhouse she has been given, her bunched possessions still in her lap, her spirit and will to live gone, was profoundly moving.

A commercial failure given limited distribution, the film was later described by Truffaut as "the accomplished work of a master artist".

Though she continued to act in theatre, film and television (including episodes of *Bonanza* and — as a nagging wife who becomes a murder victim — in *Alfred Hitchcock Presents*), Van Fleet's career did not progress as rewardingly as she hoped. Kazan said: "It stagnated, and since she knew it, was bitter. And as she became bitter, she became more difficult."

When Bette Davis turned down the role of Paul Newman's mother in *Cool Hand Luke* (1967) because it was too small, Van Fleet took the role. In the 1970s she worked a lot in regional theatre. She played mothers again in two television movies, *The Family Rico* (1972, mother to Ben Gazzara) and *Power* (1980), a thinly disguised biography of Jimmy Hoffa in which she was mother to Jo Don Baker's dock-worker turned labour leader. Her last film was *Seize the Day* (1986), based on Saul Bellow's novella, in which she was one of several notable actors playing small guest roles in support of Robin Williams.

Widowed in 1990 (her husband was the dancer-choreographer William Bales), Van Fleet lived on New York's West Side, where she became known for her unconventional behaviour. Legend has it that when asked by the check-out assistant in the local supermarket for some form of identification, she unzipped her handbag and pulled out her Oscar.

Tom Vallance

Jo Van Fleet, actress; born Oakland, California 30 December 1919; married William Bales (died 1990; one son); died 10 June 1996.

David Mourao-Ferreira



Mourao-Ferreira: non-conformist

David Mourao-Ferreira, one of Portugal's foremost literary figures, was born one year after the May 1926 military coup that brought the national-colonialist Salazar regime to power, a fact that would have a considerable influence on his upbringing.

The son of a historian, who chose his best friend, the philosopher António Sérgio, an eminent opponent of the regime, for a godfather, Mourao-Ferreira grew up imbued with the liberal tradition that was to be one of the distinguishing marks of his prolific career, both as a novelist and poet, as well as an essayist, book reviewer and professor of literature and, after the regime's collapse in 1974, a secretary of state for culture in successive democratic governments.

He began his second career while still a literature student in the late 1940s, writing essays, fiction and poetry, often rising from being a mere contributor to becoming an associate editor of such prestigious magazines as *Scara Nova*, or a co-founder of others, including *Tavola Redonda* ("Round Table"), during decades in which one of the most difficult demands on Portuguese creative imagination

1959 elections, as well as amongst those who protested against the regime's ugly, the gruesome assassination of the then exiled General Delgado by state police agents six years later.

In other ways too, the creative writer and editor, and professor of literature, who never used a typewriter let alone a word-processor, but wrote in longhand, while smoking a pipe and drinking strong coffee, was not merely a "man of letters" in the elitist sense of the word.

He became one of the most popular lyricists for the *fado* — the mournful and fatalistic mode of song, of partly Moorish origin, which has a long tradition in Portugal. This lyrical writing was the basis of his lifelong friendship with Amália Rodrigues, one of the foremost proponents of the *fado* and perhaps the only one who gave it some international projection both in films and concert tours.

Now in her well-preserved secentes, Amália, as she is known throughout Portugal, was for many years a classical sex-symbol for the Portuguese.

Mourao-Ferreira, as evidenced in his books, celebrated woman and feminine erotic allure as

much as individual women in his life. The inherent sensuality and stoicism which were so much a part of both his work and Amália's career made of them archetypal representatives of *lisboeta* culture — the bold, defiant and risqué culture that emanates from Lisbon towards staid provincial traditions.

Despite his non-conformist stance he nevertheless also gained popularity during the regime, and after, as a presenter of literary television programmes. Some of his most important prize-winning books, notably *As quatro estações* ("The Four Seasons", 1980), and *Um amor feliz* ("A Happy Love", 1986), which won all the Portuguese literary prizes in its year of publication, where he disguised himself in one of the protagonists, were published after the restoration of democracy and the decolonisation of the centuries-old empire which even in its last form comprised an area some 22 times bigger than Portugal itself.

Last November, despite or because of his determined fight against cancer, he persisted in coming to London to attend the exams for a PhD in Portuguese literature at King's College London. To those who heard his address on another Portuguese poet, Camilo Pessanha, with whom fatalism he strongly identified, he seemed to be giving his own heartfelt farewell to life.

António de Figueiredo

David Mourao-Ferreira, writer; born Lisbon 21 February 1927; twice married (one son, one daughter); died Lisbon 16 June 1996.

Collin Johnson

John Stuart Gladstone Wilson, economist; born Melbourne 18 August 1916; Professor of Economics, Hull University 1959-82 (Emeritus); married 1943 Beryl Gibson; died Hull 5 June 1996.

Fresh inquest into soldier's death refused

LAW REPORT

20 June 1996

& Collett, Northampton) for Major Carruthers.

Lord Justice Pill said Major Kennedy's statement was wide-ranging and much of it was irrelevant to what the jury had to decide.

It was submitted that another inquest should be held because new evidence had subsequently come to the attention of the coroner, namely that which could have been given by Major Peter Kennedy, a company commander in 3 Para. He had left the battalion and Kenya a week before the fatal wounding, after disagreements with Major Carruthers, battalion second-in-command. On 4 January 1995 Major Kennedy supplied a statement to the Ministry of Defence but council who appeared for the Ministry at the inquest did not disclose it to the coroner. Had the statement been made available, the coroner argued, he would have called Major Kennedy to give evidence, and his absence from the inquest was a serious deficiency.

Captain Kelly died as a result of injuries sustained in the course of a live firing exercise in Kenya on 25 March 1994. The jury by a majority of 7 to 2 brought in a verdict of accidental death.

By section 13 of the Coroners Act 1983, the court may order another inquest where satisfied that

other inquest. The emergence of fresh evidence, and the coroner's wish to conduct further investigation, did not relieve the court of its responsibility to keep in mind the public interest involved and the purposes served by an inquest as a fact-finding exercise and a method of apportioning guilt or a general public inquiry into the Army's safety procedures.

The coroner conducted a full, fair and of course fearless investigation into how the deceased came by his death. He called many witnesses from colonel to private soldier and conducted detailed questioning both on safety procedures in general and the facts immediately surrounding the shooting. In that context, Major Kennedy's statements about safety procedures in general and the practices followed by 3 Para during the period before the relevant exercise did not merit another inquest. Though the issue of body armour required separate treatment, the same considerations applied.

For these and other reasons the court was not persuaded that another inquest was either necessary or desirable in the public interest.

Paul Magrath, Barrister

Further cut rates tipped a nail sales dip

Professor Stuart Wilson

Stuart Wilson was a man of great energy and strength of character, and a powerful force in economics in his generation. He occupied the Chair of Economics at Hull University for almost a quarter of a century. His interests were money and banking, especially Commonwealth banking.

Wilson's early life was spent in Australia, where, after graduating from the University of Western Australia in Perth, he taught at the Universities of Tasmania and Sydney, and later at University College Canberra. The English-born economist Professor A.G.B. Fisher who was teaching in Perth had stimulated Wilson's interests in European banking and in 1947 he came to England and for almost 50 years developed his career, first at the London School of Economics and later at Hull. Except for visits, he never returned to live in Australia, although he never lost his Australian accent, or indeed his Australian characteristics and sense of humour.

At LSE he worked with the monetary economist R.S.ayers, as well as with Lord Robbins, Frank Hayek and Sir Arnold Plant, and was promoted to Reader in Economics in 1950. These years at LSE were to influence his thinking for the rest of his life. In 1959 he moved to the Chair at Hull following G.C. Allen and Lord Roll of Ipsden, and he remained in this redbrick university until his retirement in 1982.

All Wilson's life he was a prodigious publisher of articles and books on money and banking. His major works include *Monetary Policy and the Development of Money Markets* (1966), *London Money Markets* (1976), *Banking Policy and Structure* (1986) and *Money Markets, an International Perspective* (1993).

Following the Robbins Report, all universities saw growth in the 1960s and 1970s, and Wilson took advantage of the times to ensure that Hull got its share of promising young economists and of new buildings. The Department of Economics and Commerce, as it then was, was a broad church, and from Economics sprung the Departments of Politics, Economic History, Accounting and Management.

One achievement of which Wilson was justifiably proud was obtaining funds from the Hayter Foundation (founded by Sir Richard Hayter to promote Asian studies) to set up the Centre for South East Asian Studies, of which he was the first chairman; this led to his becoming a governor of the School of Oriental and African Studies in London, with which he had a 40-year relationship. Another of his links was with the Bank of Japan which for over 30 years sent Japanese students to Hull, and in recent years the bank was one of the main sponsors of the annual Wilson Lecture on Banking.

Wilson was a great correspondent and a great traveller. In later years he continued to give seminars and papers in many countries, but especially in Japan and South East Asia, for which he felt a special affection.

John Stuart Gladstone Wilson, economist; born Melbourne 18 August 1916; Professor of Economics, Hull University 1959-82 (Emeritus); married 1943 Beryl Gibson; died Hull 5 June 1996.

دكتور من الأهل

SIB carpeted trader five years ago

PETER RODGERS
Financial Editor

The Sumitomo executive at the centre of the £1.2bn copper scandal was interviewed by Britain's top financial watchdog, the Securities and Investments Board, nearly five years ago after complaints he had attempted to falsify trading documents.

But explanations offered by Sumitomo and its rogue trader, Yasuo Hamanaka, appear to have been accepted, and Mr Hamanaka continued to trade until last month.

His face-to-face session with top British regulators emerged as SIB announced a wide-ranging six-month review of the London Metal Exchange and the wider metals markets, which Sir Andrew Large, SIB chairman, said he would publish.

The review is certain to lead to reform of the LME. One option could be to give member firms legal responsibility for ensuring honest behaviour by their clients. There is also likely to be an attempt to tighten controls on the huge over-the-counter copper market outside the LME.

David King, chief executive of the LME, placed the blame for the copper scandal firmly on Sumitomo Corporation. Sir Andrew said it was an example of the damaging impact of "non-member, non-regulated firms".

Mr King said: "We are talking about lack of internal controls and management supervision of a big corporation on the other side of the world which is not in our jurisdiction, and a problem that has been going on for 10 years under their noses."

Mr King confirmed that in 1991, David Threlkeld - who then ran a metals business in London - sent him documentary evidence that Mr Hamanaka had requested confirmation of a number of big copper trades that had never taken place. Mr King said he informed LME members he had received the documents.



Heavy metal: Traders at the London Metal Exchange which is to undergo an extensive and wide-ranging six-month review by the SIB

Photograph: Brian Harris

He added: "As a consequence Mr Hamanaka and another Sumitomo representative came to SIB for a meeting which I attended. At that meeting Mr Hamanaka endeavoured to explain the purpose of the documentation."

Mr King declined to quote Sumitomo's explanation - believed to be that the documents showing the non-existent

trades were needed to satisfy the Japanese tax authorities.

But Mr King said that Mr I Nishimura, a director of Sumitomo, had confirmed to the press that "the Japanese tax

authorities were satisfied with the documentation".

Mr King said that from the LME point of view "we took all the appropriate steps, we advised our own regulatory au-

thority, we disclosed the existence of the documents to our members and we addressed the matter with Sumitomo".

Mr King said that in 1991 - and again in 1993 - the LME also expressed concern to Sumitomo about the size of its activities in the market and introduced a system of reporting large positions to monitor trading.

In their judgment yesterday,

Investigators follow the fishy trail of an elusive dealer

Investigators searching the web of companies through which Yasuo Hamanaka effected the copper dealings that lost Sumitomo Corporation £1.2bn are set to turn their attention to an elusive figure known in his Tokyo colleagues as "Fisby" Nishi, writes Nic Cicuti.

Mr Nishi's dealings with the rogue trader have prompted interest and investigators are hoping to examine records held at the Tokyo offices of a former Japanese agency of UK-based Winchester Commodities, with whom Mr Nishi was involved. It is understood that Mr Nishi's

home address is known to regulators, who will attempt to interview him in coming days.

The office in Tokyo trading as Winchester is based in the Minami Aoyama district, described as "fashionable and very expensive", home to embassies, nightclubs and boutiques.

Mr Nishi's name first surfaced in a fax sent by Yasuo Hamanaka to David Threlkeld, the metals trader who tried to blow the whistle on Sumitomo in 1991. Mr Threlkeld was asked to confirm non-existent trades with Sumitomo, back-dated to the previous year.

The person to whom he was sent the fax was Mr Nishi, then said to be working at Winchester Tokyo. After Mr Threlkeld's business collapsed in the wake of his whistleblowing activities, he sold his Tokyo operation to Mr Nishi for about \$80,000 (£50,000) in 1992.

Comment, page 21

Further cut in rates tipped as retail sales dip

DIANE COYLE
Economics Editor

Lower interest rates are on the cards following unexpectedly weak official figures for retail sales last month. A small dip in the volume of sales, contrary to all the survey and anecdotal evidence, removed any obstacles to another cut in the cost of borrowing within the next month or two, analysts said.

However, they predicted the Chancellor would deepen the rift opening up between him and the Bank of England if it does

not make it worth considering reducing rates. City observers believe he acted against the Governor's advice in cutting a quarter point off base rates earlier this month.

Yesterday's retail sales figures provided further vindication for that move, following encouraging inflation figures last week. "It removes the last question mark over the Chancellor's judgement," Simon Briscoe, UK economist at Nikko Europe, said.

The volume of sales fell by 0.1 per cent in May, bringing their year-on-year growth rate a fraction lower to 2 per cent. It was the coldest May on record, which helped explain a 1.2 per cent drop in sales of clothing and footwear during the month. Economists said the weather probably reduced high street sales growth by 0.5 per cent.

Sales at food stores, which make up more than two-fifths of the total, were weak, too. They were down 0.2 per cent compared with the previous month and were only 0.4 per cent higher than a year earlier.

Sales by non-food retailers as a whole picked up, growing 4 per cent in the year to May against 3.2 per cent in the year to April. Household goods make up the strongest component, with sales volumes up nearly 10 per cent on year.

"This is further evidence of an injection of demand, especially in the big-ticket area," said Leo Doyle, an economist at investment bank Kleinwort Benson. He predicted clothing sales would bounce back this month.

Anecdotal evidence continues to point to an upturn in spending. The latest figures from the John Lewis group speak of a "remarkable week's trade".

However, Mr Clarke said below-trend growth and the complete absence of inflationary

Montagu in the soup over 'double booking'

JOHN WILLCOCK

A City row has erupted between Johnston Group and its former adviser, Samuel Montagu, in which the company has accused the merchant bankers of having advised a hostile bidder, TT Group, at the same time as it still represented Johnston.

A spokesman for Samuel Montagu, a subsidiary of HSBC, dismissed the accusations by Johnston's chairman, Gordon Bissett, and described the letter to shareholders in which the chairman made them as "regrettable and somewhat hysterical".

SBC Warburg has since taken over as adviser to Johnston, and supports Mr Bissett's letter attacking Samuel Montagu.

Gordon Bissett urges shareholders in the letter to ignore TT's bid, and says he is seeking clarification from Samuel Montagu on its relationship with TT Group, which launched its unsolicited bid for Johnston earlier this month.

Mr Bissett said: "Samuel Montagu, advisers to TT, were our advisers too. They faxed a letter of resignation to me on the morning of launching the unsolicited tender on behalf of TT."

Bissett said TT had been purchasing Johnston shares since January and adds: "I am seeking clarification of Samuel Montagu's role in and knowledge of this."

"I have more than once sought confirmation from Samuel Montagu that no em-

ployee of Samuel Montagu who has had any dealings with Johnston Group has taken any part in advising TT on any aspect of the tender offer," he said, adding that the company has not responded.

"Aside from the regulatory issues raised, I am appalled by Samuel Montagu's conduct in this sorry affair, which I believe falls well short of what a client is entitled to expect," Mr Bissett said. He concluded that TT's offer of 500p a share "grossly undervalues the earnings and prospects of Johnston Group" and he urged shareholders to ignore it.

A spokesman for Samuel Montagu rejected Mr Bissett's comments yesterday: "Samuel Montagu has never given advice to Johnston, we have never done a deal for them, we were never going to do a deal for them. We were not in possession of price sensitive information when TT was preparing its approach."

Mr Bissett did us as their adviser in the accounts. This was simply because Philip Kendall [of Samuel Montagu] knew them. Mr Kendall left to join Coopers & Lybrand six months ago. Johnston knew that and SBC Warburg know that. We are very annoyed," the spokesman said.

He added that Bissett acknowledged in his letter to shareholders that the Takeover Panel had already ruled there were no regulatory issues involved in Samuel Montagu's position.

The Johnston letter says it has raised concerns with the UK Takeover Panel over TT Group's use of Samuel Montagu as advisers.

Johnston said the Takeover Panel has ruled that because TT's tender offer is governed by the Substantial Acquisition Rules, the provisions and protections of the City Code on Takeovers and Mergers do not apply. "We are considering the wider regulatory position with our advisers," Mr Bissett said.

TT Group on 6 June announced a tender offer for 2.9 million Johnston ordinary shares at 500p each, representing a 27.46 per cent stake. TT Group already owns 2.53 per cent of Johnston.

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cut rates again soon. Minutes of Kenneth Clarke's May meeting with the Governor, Eddie George, released yesterday, reveal a difference of opinion, even though they agreed not to take any action then. According to the minutes, Mr George argued that: "There was little that monetary policy could do to offset the present, temporary, effect of weak overseas demand on manufacturing industry." Lower rates would simply risk stoking domestic demand with inflationary consequences.

However, Mr Clarke said below-trend growth and the complete absence of inflationary

pressures made it worth considering reducing rates. City observers believe he acted against the Governor's advice in cutting a quarter point off base rates earlier this month.

Yesterday's retail sales figures

Ombudsman awards £2.5m to investors

NIC CICUTTI

The Personal Investment Authority Ombudsman, the new independent watchdog for savers, awarded more than £2.5m last year to investors who complained about the activities of life companies and financial advisers.

In more than half the cases considered, the Ombudsman, Stephen Edell, found fault in the activities of PIA member firms, at least in part. 47 per cent of cases led to orders of compensation against PIA members.

The scale of awards ranged between £25 and £50,000, involving more than 17,500 inquiries and complaints faced by the PIA Ombudsman's Bureau in 1995/96, the first full year it has been in operation.

Mr Edell is keen to double the amount that can be paid out to investors to £100,000. He yesterday warned that on pre-

sent evidence the scale of complaints was likely to rise. "The number of cases has increased significantly over the past year. I anticipate that this [upward] trend will continue and our aim over the next 12 months is to carry on providing a fair and efficient mechanism for the resolution of complaints."

Mr Edell said that of the awards made to complainants, six had involved sums above £50,000.

Although there is no legal obligation on companies to honour awards above £1,000, all six had done so.

Last year, the PIA Ombudsman played down suggestions that some firms might decide not to pay this amount. However, the Ombudsman's Council, the watchdog's ruling board, signalled an about-turn over whether the compensation ceiling which firms are required to pay should be doubled.

The company said the number of shares assigned to each group of employees under the deal would be determined by their "contribution, in terms of reduction of labour costs".

Agreement with the unions had been seen as vital as two previous rescue plans in as many years have sunk without trace after running into opposition from workers.

The latest rescue plan was announced last month by Alitalia's new managing director, Domenico Cappella, and envisages staff cuts, reduced overheads, and a £1.5bn capital increase. Its majority shareholder, the state holding company IRI, will pump half that cash into the airline, with the rest coming from financial markets.

Under the deal hammered out with the unions, at least 20 per cent of the group's shares would be reserved for staff after its re-capitalisation, while three seats on the board would be set aside for share-holding employees and one for a union representative.

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The

business

Telewest ponders plan for national network licence

MATHEW HORSMAN

Media Editor

Telewest, Britain's leading cable operator, is weighing plans to apply for a national network licence, becoming a wholesaler and a provider of telephone services in its franchise areas.

The news emerged as the company confirmed it would undercut BT's standard charges by 10-15 per cent from 15 July, as part of an aggressive pricing policy aimed at winning new business from BT.

A national network would allow Telewest to provide services to other companies in its extensive franchises, which covers 3.7 million homes.

International CableTel, the country's third-largest cable operator, bought NTL, the television transmission company, earlier this year, as a move towards creating a similar national network for telephone services.

Telewest's new residential pricing scheme, first revealed in the *Independent* earlier this month, includes an undertaking that the company will beat BT on all residential phone calls, barring "one-off" discounts such as BT's "surprise special". It is also offering a 20 per cent discount on bills over £20 a month, not counting line rental.

It is expected to introduce number portability in the autumn, in a further move to attract new customers.

Alain Michels, chief executive, said: "We want to make it easy for our customers. We're not going to confuse them with special offers, or schemes to join every few days or weeks."

His comments were directed at BT, which has offered a range of discounts, including its Friends and Family scheme, in response to aggressive pricing from the cable companies.

"Our discount schemes make our service very competitive," a BT spokesman said. "Far from being confusing, they are very straightforward."

The residential and business telephony markets have helped to fuel cable's growth in the UK. According to a report by Kleinwort Benson, published this week, Telewest is "now in a position to start building a national brand previously lacking in the UK". Kleinwort argues that new services, such as high-speed Internet access, will generate additional revenues, and sets a target price of up to 250p a share, compared with last night's close of 167.5p.

Telewest is also moving ahead

on the cable television front, confirming yesterday it would offer the new Sega games channel in the UK. Owned by Sega, Time-Warner and TCI, the channel is distributed in the UK by Flextech, the pay-TV programmer. It will also be launched on the Continent.

Subscribers will be able to download and play up to 25 games a month for a fee of £10. They will need a Sega Mega Drive system, a cable link and a connecting adaptor.

Roger Luard, chief executive of Flextech, said the new service would be rolled out by other UK cable companies in coming months. Telewest and Flextech have a common parent, TCI, the giant US entertainment and distribution company.

Meanwhile, Flextech said yesterday that negotiations with Rupert Murdoch's Fox entertainment arm about the sale of a stake in the Children's Channel had ended "amicably".

For had been discussing the purchase of a 50 per cent stake in the Flextech channel, which now may be offered to other broadcasters.

While Flextech declined to comment, it is understood that Cox Communications and Pearson could be potential partners.

The sky's the limit: A flotation from the rooftops to mark AIM's first year



Star attraction: The London Stock Exchange celebrates the first birthday of AIM - the Alternative Investment Market - with the launch of a balloon from the roof of the Stock Exchange tower by Panton Corbett, AIM's chairman, and Theresa Wallis, chief operating officer. Photograph: Jane Baker

Made in Leicester, the best aristocratic socks

CITY DIARY

JOHN WILLCOCK

Pex, the Leicester-based manufacturer of children's socks, has produced an annual report with a difference. Pride of place on the front page is a colour reproduction of a young boy, "Filippo Cataneo", painted in 1623 by Anthony Van Dyck.

Filippo is an ancestor of Andrea Cataneo Della Volta, the Marquess of Belforte - who bought Pex four months ago. Since then the charming Genoan nobleman has put in a new management team, returned the company to the black and invested £1.2m in new machinery.

The Marquess must be one of the most distinguished people involved in the East Midlands clothing trade; his forbears founded the city of Genoa in 962. He still owns vineyards there, but most of his business is conducted through Uniwear, a Belgian flax-spinning company. Now the Marquess has set up house in London and spends three days a week in Leicester. He is also on the acquisition trail - a £2.5m

knitting technology company would suit fine.

Mike Smith, the doyen of trading-company analysts at Williams de Broe, is about to turn his back on the City and return to the world of Academe. Mr Smith is off to study history at Manchester College, Oxford, and is hosting a farewell bash next Thursday.

Mr Smith is probably the world's greatest expert on Incahep and other traders, and has spent most of his career at Robert Fleming. Given

Airtours' attempt to surf on the Internet has turned into a bit of a damp squib. Last August the holiday company, led by chairman David Crossland, launched its booking service via the Net. Now, 10 months later, it has sold the grand total of one holiday via the Net, to a chap who went to Kenya. The people at Airtours admit to being a bit disappointed by this slow start, but are sure it will ultimately take off. To this end they have hived off the IT aspects of the Internet booking service to Ross Perot's EDS. It has certainly been an eventful year for Airtours - one of their hotels in Mexico was hit by an earthquake and slid into the sea. Happily no customers were occupying it at the time.

months ago. A bit slapdash, that. Hopefully not a pointer to AIM's future.

Smith & Williamson are amongst the most superior of medium-sized accountancy firms, what with their wealthy private client list, investment banking operations and London offices just off the BBC building in Portland Place. How natural, then, for them to host a private viewing of the Summer Exhibition at the Royal Academy, followed by dinner at the RAC club.

Sadly, decommissioned

cumbed to Euro 96 mania, due to a television in an adjoining room at the RAC which was showing the England-Netherlands match. The noise level rose with each of England's goals, with portly City figures at one point chanting "four-nil, four-nil". The master of ceremonies had a hard time persuading the mob to take their places for dinner, and was forced to promise to announce any further goals. They had no sooner started tucking into "spiced pear" than news



Blue blood: Filippo Cataneo, the 17th-century ancestor

came through of the late Dutch goal, and Scotland's exit from the tournament. Undeterred, a merry time was had by all, until it came time to find taxi home.

Sadly, London's taxi driving population had obviously gone home to watch the match, and many of the senior bean counters had to be content with the night bus.

ADT bids £85m for security firm

TOM STEVENSON

City Editor

ADT rode to the rescue of Automated Security Holdings yesterday, bidding £84.9m in shares for the electronic security systems company.

ASH had been struggling for some time under a mountain of debts. Its shareholders will receive 3 ADT shares for every 92 ASH shares they hold. The proposed deal implies a value of 39.3p for each ASH share, a premium of 27 per cent to the ASH closing price on Tuesday of 31p. The terms imply a similar premium of almost 30 per cent for two classes of preference share.

ASH instigated a program in 1995 to refocus its management and sell peripheral businesses. The board realised from the start that such a course of action would not be sufficient to bail it out, however, and finding a bidder was always part of the game plan of new chief executive Tony Dignan.

During discussions to sell some of its US operations to

ADT negotiations began on a full offer for the company, leading to yesterday's announcement.

Following the deal the new ADT shares to be issued will be listed on both the New York and London stock exchanges.

The takeover follows two years of heavy losses for Automated. In the year to November, ASH made a loss of £7.4m on turnover of £154m. In the previous 12 months it had lost £11.8m. Latest figures for the first three months of the current year showed the company still in the red, losing £1.3m from sales of £37m.

ADT, which is incorporated in Bermuda, is focused on electronic security and car auctions. It is the largest single provider of electronic security in North America and is also a significant force in Europe.

In the year to December, ADT made profits of US\$120m. About three-quarters of its sales come from its security activities and, following the acquisition of ASH, the companies' activities will be merged.

Airtours brochure sales impart a glow

THE INVESTMENT COLUMN

EDITED BY TOM STEVENSON

making more brochure sales with better margins. Also cheered, for the operators if not consumers, is that May bookings were 15 per cent up on last year, with June prices 20 per cent higher.

The key now is the school summer holiday season which starts in mid-July. Airtours has fewer unsold holidays than last year and winter bookings are 12 per cent lower. Airtours' summer bookings are 19 per cent below last year as it chose to hang on to margins rather than chase volumes.

As some smaller rivals were discounting their summer '96 deal as early as January it is not surprising that Airtours bookings took a hit. The good news is that Airtours has been

Booking to Greece remain weak and the company has cut its Greek capacity by 30 per cent since last year. Airtours is trying to reduce its dependence on UK bookings which still account for half of sales. Scandinavia and Canada make up a growing chunk of business.

The balance sheet has been bolstered by the £100m investment by Carnival corporation of the US which has a near-30 per cent stake.

The group has also contracted out all its information technology operations to EDS of the US which will take control of Airtours booking systems. With cruise bookings soaring and longer-haul holidays popular, the outlook is set fair providing the industry keeps its head and does not add capacity next year. Mr Crossland says he expects capacity to remain constant in 1997, though it takes only one to break ranks and cause havoc. Analysts expect profits of £7.1m for the full year. The shares, a penny higher at 518p, are on a forward rating of 15. Hold.

Certainly, a dividend yield of under 6 per cent is hardly a generous compensation for such a high degree of regulatory and political risk.

On the other hand, buying Swalec provides Hyder with a firm base for continued dividend increases along the lines of the 14 per cent rise in last year's payout to 33.9p. A real rise of more than 10 per cent is pretty attractive when it is probably sustainable well into the future. But so it should be, given the risks. High enough.

Windfall tax rider to Hyder

If Hyder can achieve the £100m of savings it suggested yesterday, the takeover earlier this year by Welsh Water of Swalec will have done its job for shareholders. That is just as well, because having blazed the merger trail, the combined group, like United Utilities in the North-west, has in effect bowed out of the speculation bubbling under the rest of the water and electricity sectors.

With a takeover front likely to boost the shares, attention focused yesterday on the extent of the proposed cost-cutting measures and the size of future dividend increases. The cuts were better than expected, while

A day earlier and it would have looked seriously out of kilter with the rest of the high street which has been basking in the glow of upbeat announcements on consumer spending. As it was the shares slid only a couple of pence to 180p.

There was nothing here to indicate that a Body Shop revival is round the corner. In the first three months of the current year, group sales were 14 per cent higher, but that includes 34 new openings which takes the total to 1,407 at the end of May.

Strip those out and like-for-like sales were as flat as a pancake. UK sales did not rise at all which compares badly with some recent bullish figures from rivals.

In the United States the problems continue with comparative sales down 5 per cent. The only glimmer is still the international markets which registered a 4 per cent sales increase.

Here lies the problem. Body Shop says that the Far East and other "rest of the world" regions will prove ready markets for colourful foot lotion and fragrant mud packs. But the biggest concentrations of Body Shop stores are either in the UK or the US. If these markets are performing poorly it drags the rest down.

The American business recorded a loss last year though it says improved ranges and better advertising will help. The number of new US openings has been scaled back to 14 this year.

The Rodricks may be holding out the olive branch to the City with promises of higher dividends but it needs to deliver trading improvements, too.

The shares jumped 19p back in May when the company announced a 42 per cent increase in the payout but they have gone nowhere since.

Analysts were leaving their profit forecasts unchanged yesterday at 240m which puts the shares on a forward rating of 14. Not exactly exciting but unlikely to go anywhere until there are genuine signs of a recovery in the American operations.

THE INDEPENDENT

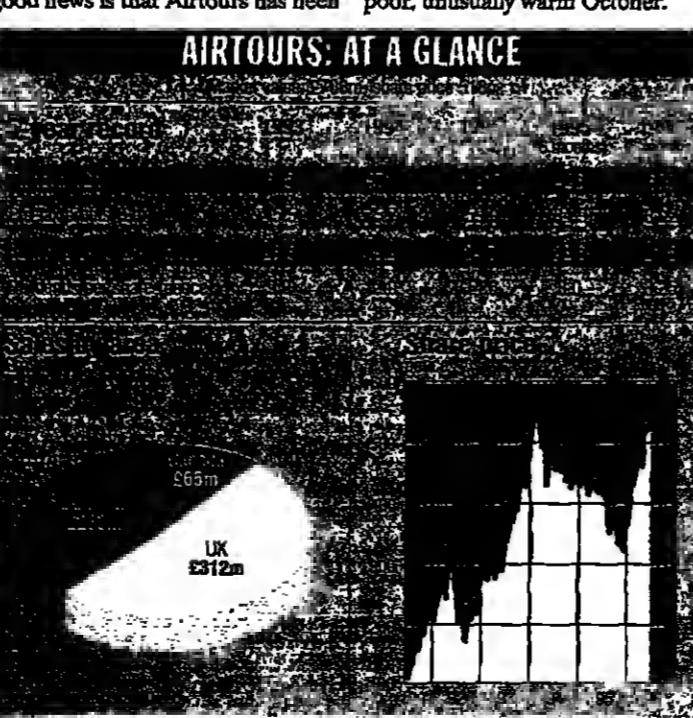
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دكتور الأحمد



COMMENT

The Panel's fiercely protective reaction to the proposed European directive on takeovers is an entirely predictable and to some extent justified one'

Takeover Panel thinks it can hold back the tide

There has always been a strong Eurosceptic tendency within the City. Anything that comes out of Brussels or Europe tends to get treated with the utmost suspicion, even among those now answerable to German and French masters. This might seem natural enough for a community of self interest whose allegiance even to its own country is open to doubt, let alone anywhere else. But there is more to it than that. The fact of the matter is that if there is one thing where Britain reigns supreme in Europe, it is in wholesale financial markets. On the whole, the rest of Europe is not only no good at it, but in many respects it is culturally and institutionally averse to it. Nasty Anglo-Saxons on speculators - that's the general Continental view of the City. And it's mainly jealousy.

The Takeover Panel's fiercely protective reaction to the proposed European directive on takeovers is therefore an entirely predictable and to some extent justified one. Contested takeovers are uncommon on the Continent and in some countries they are virtually unheard of. Where they do occur - and you have to think here mainly of Italy - there is often widespread abuse. Britain, on the other hand, has long experience of them, and although its system of non-statutory regulation leaves a lot to be desired, it doesn't seem to work too badly. The idea that Brussels has anything to teach Britain about the regulation of takeovers, is plainly nonsense.

The directive itself is on the face of it a pretty innocuous one, the product of so much fudge, compromise and redrafting that it seems scarcely worth the paper it is written on. Many of its main elements and principles are borrowed from the British Takeover code anyway. It is also so vague that the ordinary business of the Panel probably won't be affected. Why then is the Panel so worked up about it?

The Panel's concern boils down to two issues. The first is that the directive would require statutory enactment (only in Britain, you understand, because nobody else is going to bother) which in turn would create legal rights. The Panel's decisions could thus be more easily challenged through the courts. Rulings in other countries would have to be accommodated within the British regulatory framework, however inappropriate to it they might be. The second is that provision would have to be made for compensation against cases of regulatory failure.

Most people wouldn't find much difficulty with either of these concepts but to the Panel they are anathema. According to the Panel, the first would greatly increase the cost and slow the process of takeovers. In some cases prolonged litigation would halt them entirely to the detriment of shareholder interests. Speed, flexibility and certainty, the strengths of the present system, would be lost. As for compensation, the idea that the Panel could itself be held negligent

and liable is plainly too much to take for the gentlemen who run it.

The Panel is probably right about this directive; it looks like another piece of unnecessary meddling from Brussels. The problem is that in kicking up a fuss about it, the Panel has refocused the spot light on its own less than exemplary record. Self regulation is in many respects a fine thing, but it suffers from some obvious failings. Self regulation also tends to be self interested regulation. And here, it is the interests of City practitioners, and the lucrative source of revenue that takeovers provide them with, as much as those of shareholders, that the Panel is designed to protect.

Self interested regulation is often another way of saying lax regulation. It was the Panel, don't forget, which rehabilitated the ghoulish Jim Raper. When for a second time ran off with the loot, there was no compensation for those that had relied on the Panel's stamp of approval. More seriously, it was the Panel that lorded it over an unparalleled period of sharp practices and abuse in the mid-1980s, culminating finally in the Guinness scandal. There was compensation paid out on this occasion, but, to turn the Panel's arguments against it, only because of the threat of prolonged litigation. It wasn't the Panel as such which secured it. More recently, the Panel gave its blessing to a lucrative little corporate finance whereby that another regulator, the SIB, later found to be tantamount to insider dealing.

It is the eternal lot of regulators that you see only the failures; the great raft of successes go largely unnoticed. Nonetheless, the Panel is being a little like King Canute in believing it can hold back the tide of international and statutory regulation. Today's markets are global, and today's takeovers, increasingly cross border. By defending its own little system against foreign encroachment, the City risks irrelevance and impotence. The Takeover Panel gains nothing by burying its head in the sand. Much better to ensure that the codes and practices so painstakingly evolved in Britain over the past thirty years become the standard for Europe. Our Continental partners are certainly in need of them.

to bring some regulatory control to the over-the-counter copper markets, a tall order since this is a world wide business. Perhaps most important of all, the review will look at how large customers of member firms of the LME can be brought under some form of regulatory control.

But in other respects, this is likely to prove an unsatisfactory exercise. Some of the people it most needs to talk to are under no obligation to talk at all. Sumitomo has made clear it will cooperate, but that will be voluntary and there will be nothing to stop it walking away if it is offended. If this had been a domestic scandal, there would be now be powerful calls for an independent inquiry not just into the lessons of what happened but into the causes. An attempt at full post mortem would already be under way.

The problem is that until it is known why Sumitomo lost so much and how the market rigging went on unchecked for so long, it will be hard for anybody to be really confident that the solutions are appropriate. Whether a wider inquiry is possible given the international nature of this affair, is open to question. The murkiest secrets of the whole affair may well be found in Japan rather than New York or London, and the Japanese are not going to open their books to the world unless it suits them. Any criminal actions will take years in the courts. The sad truth is that what actually happened here is likely to remain the subject of speculation and hearsay.

Income setback: First figures since privatisation show £190m profit but reveal problem in goods services

Railtrack results hit by freight revenue dip

CHRISTIAN WOLMAR
Transport correspondent

A surprisingly sharp drop in income from railfreight cast a shadow over the publication of Railtrack's first profit figures since privatisation last month.

The bulk of Railtrack's £2.3m income is determined by the regulator who sets the formula by which train operators pay for use of the track and stations, most of which comes from Government subsidy.

However, freight revenue, one of the variable elements of Railtrack's income stream, showed a worrying dip from £191m to £158m, mainly as a result of reduced prices on long-term contracts which run out in 1998.

Railtrack said it now thinks "these contracts are on a commercial footing", though it faces a difficult period of negotiation with English, Scottish and Welsh Railways, the subsidiary of Wisconsin Central which now owns the main freight companies.

Railfreight is one of the few op-

portunities for growth in Railtrack income, as passenger service levels vary little from year to year because of the inflexibility of the new structure of the railways under privatisation.

The regulator has set a formula for retail price inflation, minus 2 per cent for access charges over the next five years.

Railtrack confirmed that its pre-tax profit for the year to March 31, the last under public ownership, was £190m. Shareholders will receive a dividend of 13.75p per share payable on October 4.

Property rental income, which also has scope for unregulated growth in the short term, was almost the same as in the previous year at £12m.

Railtrack is committed to spending £760m on refurbishing all its 2,500 stations over the next five years as part of its annual £1bn per year investment expenditure. However, a spokesman for Railtrack said these improvements would not result in increased rents.

Bob Horton, Railtrack's chairman, said Railtrack was becoming more efficient and that its operations had become "progressive more functionally focused, commercially adept and more closely related to the needs of the customers".

However, he said work was still

needed to change the industry's culture to make it even more responsive to customer needs.

The regulatory regime also required a strict control on costs, Mr Horton said, which will also help to pay for what the company terms a "progressive dividend policy".

The company accepts that there will be job losses from its 11,500-strong workforce. However, most of the savings will result from squeezing contracts with the newly-privatised infrastructure companies which provide track maintenance and which account for the bulk of

Railtrack's £2bn operating costs.

Clare Short, the shadow Transport Secretary, said Railtrack's figures were misleading: "This is taxpayers' money masquerading as Railtrack profit. Public subsidy into the privatised has had to increase in order to make

their corrupt system appear profitable."

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Mr Ridsdale hopes to inject more life into the 75 Sock Shop outlets by refurbishing the stores and concentrating on socks, hosiery and underwear. He says the company has received enquiries from several department store groups about possible in-store concessions. "The brand name still has a lot of latent loyalty," he said.

It is thought Jumper paid several million pounds for Sock Shop, which recorded a loss last year. It is expected to make a contribution to profits this year.

Labour fires at Hyder profits

TOM STEVENSON
City Editor

Hyder, the combined utility group formed by the takeover of Swalec by Welsh Water, said yesterday it would cut 900 jobs and save £100m a year by 2000. The news, which surprised and pleased analysts, was condemned by the Labour Party, which confirmed its pledge to impose a windfall tax on water companies.

Frank Dobson, shadow environment secretary, said: "Profits and dividends for the Welsh Water monopoly remain scandalously high. They are further damaging evidence of the scandal of water privatisation."

"Welsh Water has put profits before customers. The bosses at Welsh Water should be spending their time solving the problem of leakage instead of squeezing profits out of the consumer and being distracted by mergers and company restructuring."



Tapping into big savings: Iain Evans, chairman

above-inflation increases in the pay-off but disappointed analysts by refusing to give any further details on the dividend.

Turnover in the year rose 25 per cent to £651.6m, after excluding a two-month contribution from Swalec which was acquired in January. Profit before interest and an exceptional charge of £25m to cover the acquisition and a reorganisation of Welsh Water was £183.6m, up 17 per cent.

Welsh Water bought Swalec for £900m two months after North West Water bought North in the first multi-utility deal. Two other electricity companies are bidding for Southern Water, convinced of the cost cuts and competitive advantages of offering more than one service.

Swalec was a sound acquisition, creating substantial benefits and delivering enhanced shareholder value which provides a platform for enhanced

real dividend growth," said chairman Iain Evans. The shares closed 5p higher at 723p.

Paul Twamley, finance director, said half the savings would come from job cuts, the rest from reducing overheads through integrating services such as billing, information technology, procurement and customer services. "If you do that once instead of twice you save a fortune," he added.

Hyder said it was reviewing the future of Swalec's non-core businesses, which include a 40 per cent stake in a cable company, a stake in a Teesside power station and property investments.

As part of its restructuring following the takeover of Swalec, Hyder has set up a new combined facilities management company. Hyder Services currently employs 1,700 staff from which the company has promised cuts of 450 over the next three years.

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Panel attacks Brussels bid plans

TOM STEVENSON
City Editor

The Takeover Panel yesterday launched its latest salvo to prevent Brussels interfering in domestic bids and deals by issuing a vehement attack on a proposed EU directive that would replace Britain's current non-statutory system of takeover regulation.

The directive would also create a new, strictly legal framework for mergers and acquisitions. The Panel's offensive against the directive, which replaces a previous failed attempt to harmonise European takeover rules five years ago, coincides with the completion of consultation periods at both the De-

partment of Trade and Industry and the House of Lords European sub-committee. Unless the directive is blocked it is scheduled for implementation in April 1998.

Noel Hinton, deputy director general of the Takeover Panel, said the proposed directive, put forward by the European Commission in February, was a recipe for tactical litigation in takeover bids and called for the continuation of a non-legal system that had, he claimed, served British shareholders well since the City Code on Takeovers was introduced 28 years ago.

He added: "We have a tried and tested system of regulating the conduct of takeover bids

which works very well, in large measure because it is non-statutory, whose well-being and continued functioning would be jeopardised by the consequences of adopting this directive."

The Panel believes that because takeovers are fast-moving and complex, and throw up a wide variety of unique circumstances, a rigid set of legal requirements would be inappropriate and lead to costly and disruptive litigation which would ultimately discourage takeovers.

The Panel also believes that, with the vast majority of European bids carried out in the UK, a British regulatory authority is better placed to provide efficient supervision.

As well as throwing the current flexible system of regulation into jeopardy, whose well-being and continued functioning would be jeopardised by the consequences of adopting this directive."

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The latest European Commission proposal replaces an earlier version, which was put forward in 1989 and formed part of a programme of measures featured in the 1985 White Paper on the completion of the Internal Market.

Euro standards set to expose UK's hidden economy

The process of Euro-harmonisation reaches into all kinds of nooks and crannies of British life. One of the more obscure is the compilation of economic statistics. Unlike vexed issues like EU demands for straight bananas, this is out of the stuff of headlines. But it will have far more of an impact on our lives. What we measure has an important effect on what we think about the economy.

The Office for National Statistics is undertaking several related projects in order to meet European national accounts standards set last year. The one on which commentators have focused is including estimates of criminal activities in measures of GDP.

The EU requirement is for an estimate of criminal activities between consenting parties – in effect, drugs and prostitution.

Much of the hidden economy consists of legitimate activity that is simply hidden from the eyes of the tax or trading standards authorities. This includes, for example, builders who omit to pay all the VAT due on repair work, or the self-employed cleaners who do not report some of the income they receive in cash. There is nothing illegal about the business itself.

This means that statisticians can actually get a pretty good idea of its extent from other measures. For example, cleaners might under-declare their income to the Inland Revenue but the people hiring them have no reason to under-report their expenditure. By comparing the expenditure, income and output measures of GDP – which should all be the same but are not – it is possible to estimate the size of the hidden economy.

According to last year's national accounts, it is running at about 1.25 per



ECONOMIC VIEW

DIANE COYLE

cent of GDP, or some £7bn to £8bn. This is down from 1.5 per cent in 1981, and as much as 3 per cent in the mid-1970s.

It is relatively small and decline in importance run against the conventional wisdom that the hidden economy is booming. But official statisticians describe recent estimates that it accounts for more than 10 per cent of GDP as "huristic". The popular view derives from the fact that some areas of the economy – car-boot sales, self-employment and so on – have grown enormously. But they are not very hidden.

Deregulation means that things that might have been illegal a decade ago are not now. What would once have been a sweatshop counts now as one of the thriving small businesses that is making Britain the enterprise centre for Europe.

The best measure?

THE BEST MEASURE?

The ONS is updating its methods for measuring some of the more hidden bits of the hidden economy, but does not expect to have to make big adjustments to the GDP figures, unlike Italy, which found an extra 16 per cent of GDP in the mid-1980s, enabling it to overtake the UK as Europe's third biggest economy.

The big changes to our national statistics will stem from the less well-publicised European standards. There are several categories of these. One of the most significant will be the inclusion of intangible assets for the first time.

These range from computer software to artistic and cultural assets right up to the National Gallery. Spending on such items will count as investment. There are so few measurements of items like these that they are effectively far more hidden than what we normally think of as the hidden economy.

Publication of figures on intangibles will present a much clearer picture of the strengths of the economy, and will probably show the UK in a good light. We are pretty good at cultural assets and programming.

The focus on intangibles ties in with a new report from the Organisation for Economic Co-operation and Development on accounting for "human capital" – or in other words, measuring what people know.

The industrial economies are becoming increasingly dominated by knowledge and its related industries. Accounting for software, however, is

easy compared to accounting for brain power.

Meanwhile, another controversial and important change to European standards that could have a huge effect on Britain's GDP is a new method for estimating the financial services industry. Currently its output is measured indirectly, mainly by looking at how many inputs it uses – much like the measurement of publishing.

The Euro-method will involve measuring something more like value added in financial services based on interest margins earned by financial intermediaries. Thirdly, mineral exploration will no longer be treated as current expenditure but as part of the capital account.

There will also be presentational changes designed to make the statistics more useful for the purposes of economic policy. All the anecdotal evidence suggests that the non-profit sector is growing by leaps and bounds.

More fundamentally, the ONS will start to publish a social accounting matrix. The national accounts, like a double entry book-keeping system, present the same information twice – one person's expenditure is another's income. A social accounting matrix can give the information as one cell in a grid of income and expenditure, just as the little-used input-output tables show purchases and sales by industry groups. The grid can be presented in fine as a detail as necessary.

The technique has existed since the early days of national accounting and has been widely used for developing countries. It has been revived because of a new interest in the impact of economic activity on different sectors of the community. It will allow a much more refined analysis of Government



Intangible asset: EU accounts guidelines will count spending on the National Gallery as investment

policy.

The distributional impact of tax changes will be clearer, for instance, or the tightness of the labour market at different skill levels.

All the planned changes go some way towards making the national accounts a more useful measure of well-being in a modern economy.

However, radical critics would like to count some activities – such as crime – as a cost to the economy rather than an addition to GDP, as the Euro-standard proposes.

They would like to measure the household and voluntary economy, so far excluded from standard statistics because it is too hard to measure something for which there is no market value. As a separate exercise springing from the Beijing women's conference, official statisticians are working on measuring household production.

Environmentalists would like to include costs such as the depletion of North Sea oil or the spread of pollution. The ONS is to publish a

"satellite" set of environmental accounts next month rather than incorporating the green critique into the entire national accounts.

But national accounting is, after all, more than 60 years old. Within a few years official statisticians will no doubt be publishing figures that do reflect important economic shifts.

When the numbers are available they will have a radical effect on the way we think about the economy. And who knows – intangible Britain might even allow us to overtake Italy again.

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This means that statisticians can actually get a pretty good idea of its extent from other measures. For example, cleaners might under-declare their income to the Inland Revenue but the people hiring them have no reason to under-report their expenditure. By comparing the expenditure, income and output measures of GDP – which should all be the same but are not – it is possible to estimate the size of the hidden economy.

According to last year's national accounts, it is running at about 1.25 per

cent of GDP, or some £7bn to £8bn.

This is down from 1.5 per cent in 1

sport

So how was it for you?

JOHN MAJOR

CHELSEA FAN (AND PRIME MINISTER)

No 10 spokesman: "The Prime Minister was working last night, but in between meetings he managed to keep popping in to keep up with the score. He was delighted with the result."

TONY BLAIR

LEADER OF THE OPPOSITION

A stunning victory. With this new momentum and confidence, the team should be able to go all the way.

JOHN PEEL

RADIO 1 DJ

It was a stoutly wonderful performance. Last time we played the Dutch, a mate phoned up afterwards from Amsterdam to revel in our discomfiture. Last night I thought the most subtle thing to do was not phone him. As I'm a quarter Scottish I found it grievously disappointing. The last thing anyone wanted was for them to be cast as plucky losers again, but it seems that's what's happened.

ANDONI GOICOECHEA

SPANISH ASSISTANT COACH

Yesterday they put their fans in their pockets. It was the performance of the tournament. I hope they find it difficult to repeat.

RAY WILKINS

QPR MANAGER

Bring on anyone now. If we can produce that again against Spain it will frighten them to death. I was an extremely proud man. The fans and the team lit up the stadium and the players were quite wonderful. Taking apart one of the favourites - and I mean taking apart - was tremendous. The third goal was magnificent.

DAVE SEXTON

ENGLAND UNDER-21 COACH

There's a long way to go as far as the tournament is concerned and we have to keep our feet on the ground. But I'm delighted and it was the manner of the performance which was pleasing, the movement and combination.

TERRY BUNKER

PLYMOUTH TRAWLER SKIPPER

We want to see the Spaniards kicked into touch. We will be at sea when the match kicks off on Saturday, but I will be listening on the radio for an England win over the Spanish. I do not particularly like football, but I shall be following that match just to see them kicked to death.

D
SINGER WITH MASSIVE ATTACK

Apparently, the future is not orange.

JIMMY ARMFIELD

FORMER ENGLAND CAPTAIN

Now England are through we come to the hard part, but being in the last eight is already a big plus. I played the tape back of England's win in the early hours of the morning and the work-rate among the players was exceptional. It's the best since 1990 when I thought we were going to win the World Cup.

TONY CAMACHO

SPOKESMAN AT KLM ROYAL DUTCH AIRLINES, LONDON

We have had some people over from head office, and their view is that they are here to enjoy themselves. They have been singing "Always Look on the Bright Side of Life" in English - and these are Dutch people. These guys watch BBC1 and BBC2 at home and they are all into Skinner and Baddiel.

THE QUEEN

Buckingham Palace spokesman: "I don't know. I've got no idea what television programmes the Queen watches."

UNILEVER

LONDON SPOKESMAN

We had our views on the game and they [the Dutch HQ] had theirs. I haven't spoken to our Rotterdam office yet this morning. I'm not sure whether to give them a ring.

GRAHAM THORPE

ENGLAND CRICKETER

It was a fantastic night. There was a great feeling of national pride and we want to carry it on and win as well in this Test. If we are in the field on Saturday I'm sure the crowd will be letting us know if England score against Spain.

EURO 96

The English revelled in it, the Dutch were stunned by it and the Scots could hardly believe they were enjoying it. But nobody who saw England's stunning victory over the Netherlands will forget it.

Venables deals nicely with the twin impostors



COMMENTARY

KEN JONES

Teddy Sheringham salutes the Wembley crowd after scoring his first and England's second goal against the Netherlands.

Photograph: David Aschdown

THE ROYAL NETHERLANDS EMBASSY

SPOKESMAN

The majority of the people here are Dutch and the feeling is one of utter disappointment and disbelief. We all enjoyed the great show by the English. They played like they had wings. Most people here are very critical of the Dutch performance. Of course we are relieved we are going on to the second round - but with a feeling that we have been very lucky.

KENNETH CLARKE

CHANCELLOR OF THE EXCHEQUER

This was the best performance by an England side that I've seen since 1966. The Netherlands have one of the best teams in the world and they were completely devastated by England in the second half. I'm even beginning to believe that England are capable of winning Euro 96 - something I didn't believe before this game.

DOMINIK DIAMOND

RADIO PRESENTER AND CELTIC SUPPORTER

I was watching the England game but I stole a BT Euro 96 pager from Broadcasting House, so I'm constantly updated on all the results. When England were 4-0 up we were dancing on the tables. Whoa! Kluitenberg scored, it was the same feeling as when Mel Gibson got hung, drawn and quartered at the end of *Braveheart*. It may be sacrilegious, but I'll be supporting England wholeheartedly from now on.

STEVE COPPELL

FORMER ENGLAND WINGER

I was commentator on the radio and I jumped out of my seat a little bit when the goals started to go in. I have to say I was wonderfully surprised by it all and the standard of football was fantastic.

Research: Nick Harris and Teamwork

euro-spy

EDITED BY RUPERT METCALF

A century full of class and quality

The presence of four high-quality teams in Group B made it certain that we would be bidding farewell to some very special players when that section concluded its fixtures. One such player is Gheorghe Hagi.

Thirteen years ago a crowd of under 9,000 at Oslo's Ullevaal stadium saw the start of an outstanding international career when Hagi made his debut in midfield for Romania at the age of 18. Cap No 100 arrived at Elland Road on Tuesday, where Romania's 2-1 loss to Spain, their third defeat of Euro 96, brought their tourname-



Gheorghe Hagi

Photo: AP

Double dose of despair for Dutch

RUPERT METCALF AND ALAN NIXON

After Tuesday's 4-1 defeat by England, the Dutch team were labelled "the laughing stock of Euro 96" by the Netherlands' best-selling newspaper, *De Telegraaf*, yesterday.

"Shocking, bewildering, disgraceful and scandalous," *De Telegraaf* continued, adding: "Never has a team appeared so keen to be dumped out of a tournament. The Dutch team is the joke of Euro 96."

Dutch correspondents dug deep into their record books to find that the team had been the Netherlands' heaviest for 21 years. "Dutch dull guests at English soccer party," said the broadsheet *De Volkskrant*, recalling the last time, in 1975, that the Dutch lost by three goals, in Poland.

A similar approach came from *Algemeen Dagblad*: "The Dutch were humiliated by England... and should be ashamed." Only by virtue of scoring more goals than Scotland did the Netherlands manage to squeeze into the quarter-finals, where they will meet France on Saturday.

It is purely used to combat jitters, although I understand it's used as an anti-ageing drug in the US." Double added, "but it isn't a sleeping tablet, and nobody is using it now."

The FA and the police are also investigating the theft of about 1,000 Euro 96 Anfield quarter-final tickets, worth about £50,000, which were stolen from a tour operator's car in Birmingham on Tuesday. "The tickets have already been cancelled and will not be reissued," Chief Inspector David Wilson, of Merseyside Police, said. "Any fans found with these tickets will not be allowed into the ground and could face police action."

Sunderland's ambitious bid to

FOOTBALL: THE UNIVERSAL LANGUAGE

"Vy uz nebudeste zpívat!"

... which is Czech for: "You're not singing any more!"

EURO 96 RIP-OFFS

No 10: Pint of strong bitter in pub near Old Trafford: £2.20. Normal price: £1.60. Have you come across any monster rip-offs? If so, fax details to Euro-spy on 0171 293 2894.

FA denies claims of England drug abuse

RUPERT METCALF

AND ALAN NIXON

The Football Association yesterday described as "spurious" claims that England's Euro 96 players have been using an illegal sleeping pill. It was reported that the England players were using a herbal-based sleeping tablet named Melatonin, also available at £1.5m, and Celtic's Scotland full-back Tom Boyd, who is out of contract.

Steve Double, a spokesman for the FA, said that the report was inaccurate, misleading and entirely untrue. "We did use a substance called Melatonin during the trip to the Far East last month," he said, "but that was because it is an anti-jet-lag pill, something taken by all the British athletes and Continental footballers when they go on long-haul flights."

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Sunderland's ambitious bid to

Bravehearts fail to grab their gift horses

Phil Shaw on the lessons the unlucky Scots must learn

In the end it all turned on the involuntary intervention of an English elbow and a Dutchman's deaf right foot. Yet when Craig Brown analyses the anatomy of Scotland's exit he would be advised to resist the feeling that fortune did not favour his brave hearts.

In the aftermath of his team's 1-0 victory over Switzerland at Villa Park, which left the Netherlands abed by virtue of scoring more goals, the Scotland manager referred more than once to their lack of luck.

Brown was still thinking, no doubt, of the moment at Wembley when David Seaman stopped the Gary McAllister penalty which, in all probability, would have reduced Patrick Kluitenberg's place-saver to the status of a consolation goal.

McAllister's miss was, in the end, it all turned on the involuntary intervention of an English elbow and a Dutchman's deaf right foot. Yet when Craig Brown analyses the anatomy of Scotland's exit he would be advised to resist the feeling that fortune did not favour his brave hearts.

In the aftermath of his team's 1-0 victory over Switzerland at Villa Park, which left the Netherlands abed by virtue of scoring more goals, the Scotland manager referred more than once to their lack of luck.

The Scots, alas, were unable to keep their half of the bargain.

Ally McCoist's fulminating finish was a cathartic moment, just reward for a first-half display of extraordinary pace, passion and

precision. Sadly, it should have brought up his hat-trick, and misfortune could not be blamed for McCoist's wastefulness with two infinitely easier chances in the first seven minutes.

So while Scotland were by no means disloured, it was home-bound to think again yesterday. The inquest should be informed by reflection rather than re-crimination; and by a resolve to carry the "club" spirit they brought to Euro 96 forward into a World Cup campaign that starts in Austria in August.

Brown's stock soared both at home and in Europe, during Scotland's 10-day cameo. Having been derided as an ex-schoolteacher - strange the values of a society and a media which belittle education and culture - he proved himself a shrewd tactician, a powerful motivator and, in *Gould's* phrase, a "master of man management" with players and press alike.

Ruud Gullit, apparently realising Brown's existence for the first time, led the lavish praise of his ability to maximise limited potential and resources. In terms of the latter, Andy Goram demonstrated that he is a world-class goalkeeper, making a staggering save in each of Scotland's matches. Two clean sheets, to add to the seven

Danes are dismissed despite w

armor has two reasons for celebration

Danes are dismissed despite win

Football

GUY HODGSON
reports from Hillsborough
Denmark 3
Turkey 0

 The game was up for Denmark within 35 minutes yesterday. The reigning champions bowed out of Euro 96 with a win but played in much the mediocre fashion they had shown throughout the tournament. It was wholly appropriate that their exit should be signalled elsewhere.

The Danes had to hope that Portugal would lose to Croatia to have any chance of reaching the quarter-finals but, once the early news from Nottingham made it clear that was not going to happen, this game meandered to its logical conclusion. They won, thanks to two goals from Brian Laudrup and another from Allan Nielsen, although the impression they left was of a less than presiding defence of their crown.

It was a match of little flair

or art between two uninteresting teams – a description of the visitors to Hillsborough will not be totally unfair to either. The Danes had probably given their supporters something to remember but, apart from sporadic flashes from the Laudrup brothers, this was the sort of game that will be soon forgotten even in the most football mad parts of Copenhagen.

The first half was a sequence of errors, the most blatant of which was Brian Laudrup's volley over from six yards in the 41st minute that was at least eight feet too high. At the other end, Turkey almost took an unexpected lead when Orhan Cikirkci's 19th-minute shot deflected off Claus Thomsen, Peter Schmeichel diving backwards to claw the ball away from the top corner.

The football had to improve after the interval, and the second half got off to a good start when Brian Laudrup put the Danes ahead, Erik Bo Andersen flicked the ball on and, when

Oguz Temizkanoglu's attempted clearance merely teed the ball up for the Rangers striker, he stroked round Risti Reicher in the Turkish goal and rolled the ball into the net.

With that, Turkish discipline evaporated and they charged forward in the hope of glory, leaving huge gaps at the back. It became a question of how many times the Danes could profit from the space and, for Risti, the scoreline might have been more emphatic. He could not compensate for the lack of cover entirely, however, and after 68 minutes Allan Nielsen made it 2-0. Michael Laudrup picked up a rebound 25 yards out and slipped a delightful ball through to the Brondby midfielder, who stabbed a shot past Risti with the outside of his right foot.

Brian Laudrup was still bewitching defenders and with seven minutes remaining he got the third goal that had a similarity to the second. Erik Bo Andersen was the provider this time, giving Laudrup the freedom of the area with a short pass.

The defeat, in the end, was comprehensive but was unsatisfactory nonetheless. The Turks arrived in England with little expectation and thoroughly lived up to them. Denmark were the fairest team of four years ago, however, and more was expected. One win from three matches was not a compelling sequel.

Score: 3 Laudrup (49, 1-0 Nielsen, 62); 0 Laudrup (68). **Attendance:** 46,251.

Statistics: Denmark, 10 shots, 1 on target; Turkey, 10 shots, 0 on target. **Man of the match:** Brian Laudrup.

Attendance: 26,852.

Amor has two reasons for celebration

Spain's hero, Guillermo Amor, will head for the knock-out section of Euro 96 reflecting on the two most memorable moments of his life.

Javier Clemente's squad will confidently leave for London after the Barcelona midfielder's 84th-minute goal clinched a 2-1 win over Romania at Elland Road – and a quarter-final meeting with England at Wembley on Saturday.

Amor's timely strike, from a diving header, after Alfonso Perez had nodded on a Sergi Barjuan cross, came a day after the 28-year-old became the proud father of a boy, Daniel.

It was his second goal for Spain and Amor, who had been on the field for 20 minutes after coming on as a substitute for Juan Antonio Pizzi, said: "Everything has come at once for me."

"I became a father and now I have scored a vital goal for my country. I feel very happy."

Spain, who finished runners-up in Group B behind France, are fast becoming late-goal specialists.

But Amor was unable to follow the example of team-mate Jose Caminero, who marked his 85th-minute equaliser against France on Saturday by raising his top to reveal a T-shirt bearing the name of his daughter.

"I couldn't do that because I wasn't wearing anything underneath my shirt," he laughed.

Coch Clemente, whose side went ahead after 11 minutes through Deportivo La Coruña striker Javier Manjarin, only for Florin Raducioiu to level after 29, admitted: "Our players were very nervous and very tired."

"Romania were technically a very fine team and it was only our big hearts that saw us through after a slow start."

"I would like to congratulate Romania, even though they are out of the competition, because they have played some excellent football."

"They didn't deserve to go

out because they are a better technical team than some in the Group."

For Romanian coach Angel Jordanescu, the blow of a third Euro 96 defeat in three games was only slightly softened by the pre-match assurance that he would remain in charge for the 1998 World Cup qualification campaign.

"Our participation in this tournament was a failure, but we will not make it into a big drama or tragedy. We must learn the lessons and start again," he said.

"The plain fact is the Spanish players wanted to win more than we did. They fought to the end and deserved their victory. I can only congratulate them."

The first half was quite even. There was lots of goal-mouth action at both ends and it must have been a nice spectacle for the spectators.

"But in the second half we never matched Spain in the aerial battle. They forced us to retreat and eventually made their breakthrough."

"But the simple reason for our poor form is that we have faced three formidable opponents. They are all good strong teams, stronger than us, and that is why we have not gone further."

Romanian midfielder Gheorghe Hagi, who marked his 100th international appearance by supplying the through-ball from which Raducioiu finally broke his side's tournament goal drought, admitted to an extreme sense of disappointment.

"I am particularly sad because we did not realise our full ability in the tournament, even though we showed some good moments in every game," he said.

"All the games we played in the group were very equal and rested on who took the chances. We had some problems in defence, sure, but we missed a lot of chances."

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"They didn't deserve to go



Strip search: Groundstaff at Lord's making final preparations for today's Test match between England and India

Photograph: Peter Jay

England aim to clinch series

Mohammad Azharuddin has good cause to remember the Lord's Test. The last time India's captain was here, he scored a memorable century. Unfortunately, it followed an innings of even greater magnitude by Graham Gooch, whose monolithic 333 was made after Azharuddin had unwisely inserted England on a pitch where 1,603 runs were scored.

It is a decision that has dogged him ever since, and provided what was probably the first swell of the tide of criticism now gathering against him.

Winning the toss at Lord's has become increasingly important over the last few years, now that new drainage has caused the water table to retreat. The pitch is at its best for batting on the first two days, whereafter it quickens, with the bounce becoming less even as the surface wears without ever really encouraging spin. Today's pitch, although the same strip, is less cracked than last year's surface.

In order to get back into this series, Azharuddin knows India will have to bat first and score a high total if they are to apply

the necessary pressure needed to force enough openings for Anil Kumble and the excellent pair of opening bowlers, Javagal Srinath and Venkatesh Prasad, to exploit.

With those bowlers more than pulling their weight in the last Test, India look certain to include seven batsmen, with Nayan Mongia likely to open in place of Ajay Singh Jadeja, who will drop to No 6.

However, unless Sanjay Manjrekar plays – and he is still notably recovered from the ankle injury he suffered during the last Test – it is a strategy that will again be over-reliant upon Sachin Tendulkar and his increasingly troubled captain to get the runs.

In a team that has already blooded four players in the last Test, India badly need Manjrekar's experience to prop up the early order and to prevent Tendulkar's early exposure to the new ball. If he does not play, Rahul Dravid, a 23-year-old batsman from Karnataka, will take his place, adding still further to the list of recent debuts. It will be Tendulkar's all-round

talent that will be the key to his success.

England on the other hand

is in fine fettle, despite the late withdrawal of Nick Knight on Tuesday. The stirring win their

footballing counterparts had over the Netherlands, has put the handful of them that went to Wembley, in good heart. Alec Stewart, who as Knight's replacement gets another opportunity to resume his opening partnership with his captain, has a right to more pleasure than ever and he will relish pulling the three lions on once more in front of a full house at Lord's.

It will be Stewart's 54th Test.

England's record in Lord's

is not good, with 11 wins, 12

draws and 23 losses.

It is a record that has not

been improved by the last two

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Derek Pringle on the importance of winning the toss in today's Lord's Test

and it is telling that England unlike their opponents have someone with such vast experience to call on. Lord's, despite being enemy territory for him at county level, has been good to him. Apart from making his first Test hundred here, he has scored 733 runs at an average of 61.

With Raymond Illingworth's mind occupied over his emptying pocket, Stewart will not have to ready himself to keep wicket, a surprise sprung on him last year, when Illingworth packed off Steve Rhodes, the first-choice keeper. But if that decision was based on the chairman of selector's gut instinct, the one made between playing a spinner (Min Patel) or an extra seamer (Peter Martin), will apparently be based how the pitch scrubs up this morning.

"It is not often we go into a Test without a spinner," Michael Atherton, England's captain, said yesterday. "Whichever combination we play, it will be an aggressive decision based on who we think will get the most wickets, rather than a defensive one."

Last year it was the pace

bowlers, who exclusively did for the West Indies batsmen. Making his debut, and bowling primarily from the Nursery End, Dominic Cork ripped away the West Indian batting with second innings figures of 7 for 43. With Chris Lewis and Alan Mullally likely to operate from the Pavilion end, a near repeat will likely wrap this series up. And should Cork get the ball to swing, he will no doubt force Dickie Bird, that most reticent of umpires, who is to be granted honorary life membership of MCC, into giving a few bawls in his last Test. Bird will be further honoured by an honorary doctorate from Sheffield Hallam University for his unique contribution to cricket.

"It will be important not to step off the gas and rest upon one good game," Atherton said. "We still need the enthusiasm and commitment we showed at Edgbaston, but it would be nice to wrap the series up at Lord's."

England's

man of the match: Michael Atherton, England's captain, said yesterday. "Whichever combination we play, it will be an aggressive decision based on who we think will get the most wickets, rather than a defensive one."

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